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PART IV.

EASTERN DEPARTMENT:

SECRET SERIES.

39

October to December 1911.

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[This paper should have appeared as No. L]

[38338]

Sir G. Barclay to Sir Edward Grey.—(Received October 1.)

(No. 456.)

(Telegraphic.) P.

Gulshak, October 1, 1911.

IN view of the fact that the Persian Cabinet was yesterday informed by the treasurer-general of his negotiations with the Persian Railway Syndicate, and in view of the anxiety of the syndicate to obtain the sanction of the present Medjlis to the contract before its approaching dissolution, I have ventured to anticipate the sanction asked for in my telegram No. 452 of the 30th ultimo, and, with the full concurrence of the syndicate's agent and Mr. Shuster, have instructed Colonel Cox to inform the Sheikh of Mohammerah that these negotiations are taking place.

CONFIDENTIAL

Eastern Department: Secret Series.

PART IV.

[38746]

No. 1.

Sir G. Barclay to Sir Edward Grey.—(Received October 3.)

(No. 463.)

(Telegraphic.) P.

Tehran, October 3, 1911.

SHEIKH of Mohammerah and railway construction in Persia. Reference to my telegrams Nos. 414 and 450 dated the 20th September and the 1st October respectively.

His Majesty's consul-general at Bushire is of opinion that the general outline of article 4 of syndicate's contract should be communicated to Sheikh Khas'sal. Colonel Cox would then propose to advise the sheikh to telegraph to Persian Government stating that rumours of railway concession through his lands have come to his ears, and that he demands recognition of his rights under his firmans in all matters wherein the lands covered by these documents are concerned.

Step proposed has my approval, and if you concur I would propose to instruct His Majesty's consul-general to act as he suggests.

[37882]

No. 2.

Sir Edward Grey to Mr. O'Beirne.

(No. 584.)

(Telegraphic.) P.

Foreign Office, October 4, 1911.

RAILWAYS in Persia. See enclosure in Mr. Greenway's letter of the 7th September (article 1).

You should inform Russian Government that the syndicate has applied for lines therein enumerated, and that the latter are now engaged in favourable negotiations with Mr. Shuster, who represents the Persian Government. You might add that, as promised in our *aide-memoirs* of the 18th March, we shall discuss matter with Russian Government before the construction of the first line is actually commenced.

Reference is to Sir G. Barclay's telegram No. 443 of the 28th September.

[38746]

No. 3.

Sir Edward Grey to Sir G. Barclay.

(No. 203.)

(Telegraphic.) R.

Foreign Office, October 5, 1911.

YOUR telegram No. 463.

I approve proposed instructions to Colonel Cox, and am informing syndicate.

[38746]

No. 4.

Foreign Office to Mr. Greenway.

Sir,

Foreign Office, October 6, 1911.

I AM directed by Secretary Sir E. Grey to state that, at the inception of the negotiations respecting the concession for the Mohammerah-Khorremabad Railway, a promise was given by His Majesty's Government that, before the construction of the line was actually commenced, they would enter into a friendly discussion with the Russian Government. I am now to notify you of this undertaking for the information of the Persian Railway Syndicate.

I am further to inform you that, as regards article 4 of the draft contract enclosed in your letter of the 7th September, it will be necessary to obtain the acquiescence of the Sheikh of Mohammerah. Sir G. Barclay has therefore been instructed to authorise His Majesty's consul-general at Bushire to communicate to Sheikh Khazral the general terms of the article in question.

I am, &c.

LOUIS MALLET.

[39260]

No. 5.

Sir G. Barclay to Sir Edward Grey.—(Received October 7.)

(No. 473.)

(Telegraphic.) P.

Tehran, October 7, 1911.

PERSIAN Railway Syndicate. Reference to my telegram No. 450 of the 20th September.

I learn that by the terms of the stipulation respecting the maintenance of the post of treasurer-general in Persia, as accepted by Mr. Shuster, appointment can only be filled by an American approved at Washington.

Mr. Shuster, who at one period felt assured that the scheme would pass the Medjliss, is, I understand, no longer of this opinion.

[39403]

No. 6.

Sir G. Barclay to Sir Edward Grey.—(Received October 8.)

(No. 476.)

(Telegraphic.) P.

Tehran, October 8, 1911.

PERSIAN Railway Syndicate.

With reference to your telegram No. 584 to St. Petersburg and to my telegram No. 473, dated the 4th and 7th October respectively, I have the honour to report that I have not seen Mr. Greenway's letter of the 7th September. I am, therefore, unaware whether stipulation regarding the maintenance of post of treasurer-general in Persia has been communicated to Russian Government. I infer, however, from Mr. O'Beirne's telegram No. 232 of the 5th October, that this article will prove unpalatable at St. Petersburg. If it has been communicated I should like to speak of it to M. Poklewski.

I am informed by agent of syndicate that treasurer-general intends to put the railway scheme before the Medjliss very shortly.

[39496]

No. 7.

Sir G. Barclay to Sir Edward Grey.—(Received October 9.)

(No. 173.)

Sir,

Gulahak, September 11, 1911.

WITH reference to my despatch No. 81 of the 31st May, I have the honour to transmit herein copy of a note from the Persian Minister for Foreign Affairs in reply to my note of the 25th May respecting possible railway construction in Persia.

This somewhat vague pronouncement is all I have been able to obtain. Both the late Minister for Foreign Affairs and the present one have obstinately refused to give any undertaking referring expressly to railways in the south, which they feel would

[39212]

No. 3*.

Mr. O'Beirne to Sir Edward Grey.—(Received October 6.)

(No. 236.)

(Telegraphic.) P.

St. Petersburg, October 6, 1911.

PERSIAN Railway Syndicate.

As the embassy does not appear, so far, to have received the print section referred to in your telegram No. 584 of the 4th October, I have no precise knowledge as to what the line is for which a concession is being asked by the syndicate.

I spoke to M. Nératof to-day, however, in the sense of your telegram, and added that the line referred to ran presumably from Mohammerah in the direction of Khorremabad. I promised that as soon as I received details I would let him have an *aide-mémoire*.

M. Nératof did not offer any observations on the subject.

[1523]

B*

be in some measure a recognition of the spheres of influence. Both have, however, repeatedly reminded me of the rescript of Nasr-ud-Din Shah, the binding character of which the Persian Government do not dispute. They do not understand why we should need more than this.

In any case, I presume that the written undertaking you desired me to obtain is not so much needed now that the Persian railway syndicate have presented their proposals, and I shall not press the Persian Government further for anything more explicit unless you instruct me to do so.

I have, &c.
G. BARCLAY.

Enclosure in No. 7.

Vosouk-ed-Dowleh to Sir G. Barclay.

(Translation.)

Your Excellency,

Tehran, September 9, 1911.

IN reply to your Excellency's note of the 25th May last and with reference to the personal conversation which has taken place between us, I have the honour to say that although the Persian Government cannot express their final opinion on particular points regarding railways without the necessary investigations, still, being fully aware of the profit and advantages of railway construction in the country, and feeling strongly the necessity for the construction of such lines as are profitable to commerce, and cause the material progress of the State, should British syndicates make proposals to the Persian Government in this respect they (the proposals) will naturally receive the consideration of the Persian Government, who will be ready to enter into negotiations with them (the syndicates), and, after the necessary investigations, to come to an understanding on conditions compatible with the interests and advantages of both parties.

I avail, &c.
VOSOUK-ED-DOWLEH.

[39428]

No. 8.

Sir G. Lowther to Sir Edward Grey.—(Received October 9.)

(No. 671.)

Sir,

Constantinople, October 4, 1911.

I HAVE the honour to forward herewith a despatch from His Majesty's vice-consul at Mosul relative to the Bagdad Railway.

I beg to call your attention to the last paragraph.

I have, &c.
GERARD LOWTHER.

Enclosure in No. 8.

Vice-Consul Greig to Sir G. Lowther.

(No. 30. Confidential.)

Sir,

Mosul, September 12, 1911.

I HAVE the honour to report to your Excellency on the subject of the Bagdad Railway as follows:—

Four engineers and a doctor connected with the railway arrived here in the middle of July, when the great heat of the plains made work there temporarily impossible.* They had then completed the survey between Nisibin and a spot called Hogena† which lies about 35 miles west-north-west of Mosul and the same distance east-north-east of the town of Sinjar. The senior engineer is a Frenchman named Emile Aublé. He has had a 20 years' experience of railway making in Turkey and took part in constructing the lines connecting Constantinople with Salonica, Eskişehir with Angora, and Konia with Eskişehir. One of the engineers who is a native of Beirut left Mosul in July on account of illness. The other two are a Norwegian and

* In June and July it reached 122° Fahrenheit inside tents.

† This is the spelling used in sheet No. 32 of the War Office map of Eastern Turkey in Asia (1902). It is pronounced "Hegra."

a German, both very young men. The doctor is a Greek. They are accompanied by a dragoman and a secretary, both natives of Aleppo. Their staff is likely to be increased during the autumn, and M. Anblé tells me that amongst the engineers then expected there will probably be an Englishman. He also states that Italian workmen will be employed in considerable numbers when the constructive work begins. In connection with this, there are rumours of the appointment of an Italian consul to Mosul, but the local authorities deny any knowledge of it. The native workmen, about 40 in number, employed during the survey, receive 10 tarif piastres a-day, which is considered good wages. Thirty-five camels, likewise hired for 10 piastres a-day, accompanied the expedition for the transport of water, which is carried in iron cylinders, a system found satisfactory by Meissner Pasha in the Hedjaz.

The engineers at present here leave shortly for Hogenia in order to survey from that point to Mosul, which they expect will take a month.

In Mosul they have been completing a map of the area already surveyed, making arrangements for the permanent establishment of the staff of the third section of the line, drawing up lists of available workmen, and surveying within a limited radius on the west bank of the Tigris in all directions. More especially they have surveyed for 8 kilom. towards Hogenia, and have carefully examined the extent of the stone quarries in this neighbourhood (limestone and soft marble). It is believed that the stone available will, in spite of previous misgivings, suffice. Should it prove deficient the engineers talk of using brick.

The senior engineer denies that the line from Hogenia to Mosul is a branch. From his indications it appears that, according to present intentions, the main line after leaving Nisibin will traverse in an east-south-east direction the network of wadis delved by tributaries of the Khabur flowing from the Tur Abdin plateau; and that, on emerging from these, it will roughly follow the track generally used by caravans travelling between Nisibin and Mosul. The direction taken by the surveying parties will soon show definitely the course of the main line.

It seems the line is to be a single track, and great pains will be taken to avoid even slight gradients, which might entail the use of powerful and costly locomotives. The utterances of the engineers suggest that cheapness is to be the foremost consideration in everything. The undulating character of the plains in this district may therefore furnish the pretext for frequent digressions from the straight course profitable, in view of the kilometric guarantee.

Like Meissner Pasha, the senior engineer in Mosul expresses the opinion that the line will not pay for years.

No land has hitherto been purchased—openly at all events—for the railway company, and no buildings have been begun. But there are rumours, which I cannot confirm, that the Syrian Catholic archbishop, who has recently been negotiating for the purchase of several large plots to the south of Mosul, is acting on its behalf in the matter.

Two houses have been rented for two years for the staff both at the southern extremity of the town, where it is thought the station will be, although the engineers are naturally most reticent about this.

One difficulty encountered by the engineers between Nisibin and Mosul was the removal by the Arabs (probably of the Shammar tribe) of the wooden posts set up as landmarks for the purposes of the survey. It is not apparent whether the Arabs merely appropriated them for fire-wood—a rare commodity in the desert—or whether they removed them out of dislike or suspicion of the work. The Arabs, it is said, invariably remove to some distance on the approach of the surveyors. This is probably due to the presence of their escort of thirty gendarmes.

Most of the local notables, who regard progress in any form as a threat to their influence, are believed to view the prospect of improved communications with apprehension, although the value of their lands is likely to increase in consequence. They are closely in touch with the principal sheikhs, who pay them for their good offices with the local authorities.

The same distrust prevails among the hill Kurds, as I had opportunities to observe this summer in the Amadia district. They realise the strategic significance of the enterprise.

The larger merchants, who have hitherto enjoyed a monopoly of the distributing trade in manufactured goods, are mainly opposed to the railway. The smaller merchants are generally in favour of it as promising emancipation from that monopoly.

I am reliably informed that Daoud Youssefiané, the Roman Catholic Chaldean

[39879]

No. 11*.

Mr. O'Beirne to Sir Edward Grey.—(Received October 10.)

(No. 240.)

(Telegraphic.) P.

St. Petersburg, October 10, 1911.

PERSIAN railways.

Your telegram No. 593 of the 9th October.

I notice that the first line for which the syndicate has applied is described as running to "Khorramabad or Burujird." Would it not be well to let the Russian Government know that you have explained clearly to the syndicate that the support of His Majesty's Government cannot be given to them in respect of any portion of the line which they wish to build which will extend into the Russian sphere of influence?

If we do not make some such communication to the Russian Government, they may suspect us of giving our support to a scheme for a British railway to run right up to Burujird in their sphere.

[1523]

C*

deputy for Mosul, and the German engineer recently stated that the right of exploiting the oil-fields in this vilayet has been conceded to the railway company.

Meissner Pasha, after leaving Mosul in June, made an examination of the springs at Gayara.

He is expected to return to Mosul in two or three months.

I have, &c.

C. A. GREIG.

[39878]

No. 9.

Government of India to the Marquess of Crewe.—(Communicated by India Office, October 9.)

(Telegraphic.) P.

September 30, 1911.

LIGHTING and buoyage in Persian Gulf. My telegram of the 21st August.

If arrangement therein contemplated is feasible, we recommend employment of the "Patrick Stewart" in place of lighthouse tender. This question can perhaps be settled direct with the Indo-European Telegraph. We will reply later as to plant required.

We consider also (with reference to your telegram of the 13th September) that there should be as little possible delay in laying of buoys. If there is any difficulty with regard to lights and buoys, as proposed in summary of committee's report of the 29th April, 1909, it should be remembered that Bahrain is the most necessary, and then, in order of importance, Bushire, Bander Abbas (first scheme), Jack.

[39212]

No. 10.

Sir Edward Grey to Mr. O'Beirne.

(No. 593.)

(Telegraphic.) R.

Foreign Office, October 9, 1911.

SECTION goes to you by bag to-night.

You should merely inform Russian Government what the four lines are, adding the statement as instructed in my telegram No. 584 of 4th October.

[39708]

No. 11.

Sir F. Bertie to Sir Edward Grey.—(Received October 10.)

(No. 438. Very Confidential.)

Sir,

Paris, October 6, 1911.

AS I had the honour to inform you in my telegram No. 164, Very Confidential, of the 4th instant, the French Minister for Foreign Affairs, in the course of my interview with him on that day, expressed his desire for Anglo-French co-operation in Turkey.

I reminded his Excellency of the observations which I had made to him on that subject at my first interview with him on his assumption of office (see my despatch No. 329 of the 17th July). I said that such co-operation had been for some time past desired by His Majesty's Government, and that successive French Ministers for Foreign Affairs had advocated such a policy, but the obstructive attitude of the Ottoman Bank, nominally an Anglo-French institution but practically a French establishment, had prevented any arrangement for financial and industrial co-operation which at Constantinople would be an essential element in combined political action. The pretensions of the Ottoman Bank had been supported by the late French Ambassador and the present one, who appeared to have policies of their own, and also by the French Ministry of Finance.

I have, &c.

FRANCIS BERTIE.

[1523]

C

Government, and that construction of the extensions by the Persian Railway syndicate was never contemplated or intended. It was merely to make the scheme appear favourable to the Medjiss that Burujird and the extensions were mentioned.

Good-will of the Russian Government is essential to the attainment of our object, and I am therefore anxious to do nothing which might make our intentions suspected by them. It is already obvious that, as far as the Medjiss is concerned, our reference in the contract to Burujird and the extensions has failed, and I now think that, in view of possible Russian suspicions, all mention of them should be omitted.

Please let me have your view on the above suggestions.

[40073]

No. 16.

Sir Edward Grey to Mr. O'Beirne

(No. 68)

(Telegraphic) P.

Foreign Office, October 12, 1911.

MOHAMMERAH-KHOREMABAD Railway.

Please refer to your telegram No. 240 of yesterday, and my telegram No. 303 to Tehran of to-day.

You had better not mention the subject to the Russian Government at present, as the scheme is momentarily in suspense and may undergo modification.

[40250]

No. 17.

Mr. Greenway to Mr. Mallet.—(Received October 13.)

Winchester House, Old Broad Street, London,

October 12, 1911.

Dear Mr. Mallet,

I ENCLOSE copy of the confidential telegram which was sent to Mr. Brown (Tehran) yesterday.

Yours sincerely,

C. GREENWAY.

Enclosure in No. 17.

Mr. Greenway to Mr. Brown (Tehran).

(Telegraphic.)

October 11, 1911.

BELIEVE that Lynch pressing for renewal of road concession for further term of years. Can you discover intention in getting renewal for road beyond Sultanabad and Khoremahad to Mohammerrah seeing that railway would render road useless? In any case ask treasurer-general warn Persian Government that if they renew concession they must clearly reserve power to build railway without compensation to road concessionaires.

[40290]

No. 18.

Sir G. Barclay to Sir Edward Grey.—(Received October 13.)

(No. 487)

(Telegraphic) P.

Tehran, October 13, 1911.

MOHAMMERAH-KHOREMABAD line. Please see your telegram No. 303 of the 12th instant.

As there is no chance of the Medjiss accepting the scheme whether mention or no mention is made of Burujird and the extensions, I agree that it would be better to omit all mention of them. I think that the Russian Government would have to be kept definitely indicated if the scheme is to be palatable to the Medjiss.

I gather that Shuster has abandoned all intention of presenting the scheme to the Medjiss, so that the question is perhaps only academic. Our action as regards the Stokes affair, whereby the spheres of influence were brought into additional prominence is, in Shuster's opinion, the reason for the adverse feeling to the Medjiss.

My personal opinion, however, is that he would have found the Medjiss more difficult than he once hoped, even without the Stokes affair.

It is now Shuster's hope that, before it rises, the Medjiss will give him a free hand to negotiate a railway loan with whom he likes (not excluding the Persian Railway Syndicate) for the construction of a line from Julfa to Mohammerrah via Isfahan, Kazvin, and Hamadan; the loan to be on similar lines to those of the Persian Railway Syndicate's contract.

[39403]

No. 19.

Foreign Office to Mr. Greenway.

Dear Mr. Greenway,

Foreign Office, October 13, 1911.

IT appears that the Russian Government have objections to the clause in the Seligman loan contract respecting the position of the treasurer-general. These objections are not yet clearly defined, and we are awaiting further information on the

Syndicate's contract to the Russian Government. The actual construction of the line will be under the supervision of the syndicate, but, in view of the Russian objection, it may become necessary to modify the analogous clauses in the railway contract.

I am, &c.

LOUIS Mallet

P.S.—I enclose a paraphrase of a telegram sent to Sir G. Barclay yesterday in regard to the prejudice of omitting any mention of Burujird and of the extensions in the contract.* Their inclusion has failed of its effect with the Medjiss, and it is important to avoid incurring Russian opposition into the bargain.

L. M.

[40290]

No. 20.

Sir Edward Grey to Sir G. Barclay

(No. 308.)

(Telegraphic) P.

Foreign Office, October 16, 1911.

MOHAMMERAH-KHOREMABAD Railway

See your telegram No. 487 of the 13th October.

Would it, in your opinion, help matters if the syndicate attempted to come to an understanding with Russian Government?

I am also anxious to know whether you think some warning should be given to Shuster, that His Majesty's Government would not allow him to give "to whom he likes" the right to build a railway. I think that the Russian Government are in favour of our asking him his reasons for changing his attitude towards the syndicate, which he appears to have done.

Last paragraph of your above-mentioned telegram makes him appear very lukewarm towards syndicate.

[40955]

No. 21.

Sir G. Barclay to Sir Edward Grey.—(Received October 17.)

(No. 400)

(Telegraphic) P.

Tehran, October 17, 1911.

PERSIAN Railway Syndicate. Please see your telegram No. 308 of the 16th instant.

* No. 16.

[1523]

D

Shuster's attention has already been drawn to the rescript of 1888, and I told him at the time that I thought His Majesty's Government would insist on railways in the south of Persia being placed under British control. I see no disposition on Shuster's part to look beyond the Persian Railway Syndicate, provided it can negotiate on lines acceptable to the Medjliss, so that it would perhaps be better to postpone any more formal warning for the moment. Shuster is, I believe, most anxious to negotiate with the Persian Railway Syndicate if possible. I regret having given you the impression that he was lukewarm.

But if the syndicate are unable to negotiate on lines which would be acceptable to the Medjliss, I fear that the existence of the rescript will not deter him from trying to negotiate with other groups which may prove more amenable to Persian wishes with regard to spheres of interest.

If the syndicate could arrive at an understanding with Russia, it would, in my opinion, help matters considerably. Should they do so, the syndicate could continue to negotiate with good hope of success, provided that Shuster obtains from the Medjliss the powers he desires.

[40250]

No. 22.

Sir Edward Grey to Sir G. Barclay.

(No. 127. Secret.)

Sir,

Foreign Office, October 18, 1911

I HAVE to transmit to you herewith copy of a letter from Mr. Greenway to Mr. Mallet, enclosing a telegram sent to Mr. Brown on the subject of Mr. Lynch's road concession and the Mohammerah-Khorramabad Railway.*

I am, &c.
E. GREY

[41321]

No. 23.

Sir G. Barclay to Sir Edward Grey.—(Received October 20.)

(No. 508.)

(Telegraphic.) P.

Tehran, October 20, 1911.

PERTSIAN railways syndicate. Reference to your telegram No. 306, dated the 16th October.

I have been asked by M. Poklewski if I could give him details of the syndicate's draft contract which, he states, Russian Government are very desirous of obtaining.

In reply, I informed Russian Minister that I had already explained to him the general outlines of the scheme, adding that you had promised Russian Government that before work was begun on the proposed line you would discuss the matter with them.

M. Poklewski went on to say that Russian Government desired further information, as details might be of service at St. Petersburg in connection with any proposals which his Government might desire to put before the Persian Government on the subject of railways.

In view of this conversation I fear that if we continue to withhold details from the Russian Government, their suspicion will be aroused unless, of course, the syndicate themselves inform the Russian Government shortly, and will themselves make known the details of the scheme.

[40955]

No. 24

Sir Edward Grey to Sir G. Barclay.

(No. 313.)

(Telegraphic.) P.

Foreign Office, October 20, 1911

MOHAMMERAH-KHOREMABAD line.

See your telegram No. 199 of the 17th October

Persian Railway Syndicate are considering the advisability of dispatching a representative to discuss with the Russian Government the question of lines being prolonged into the northern sphere of influence by Russia.

[41594]

No. 25.

Sir G. Barclay to Sir Edward Grey.—(Received October 23.)

(No. 17.)

Sir,

Gulhek, September 18, 1911

WITH reference to your telegram No. 166, I have the honour to report that Mr. H. G. Hart, formerly in the employ of the Imperial Bank of Persia, came out to Tehran in July to replace Mr. Osborne as the representative of the International Oriental Syndicate.

I enclose a statement, with which Mr. Hart has furnished me, from which it will be seen that the syndicate have made no progress in their negotiations. There appears to be an impression in Tehran that the International Oriental Syndicate have no very substantial backing, though I am assured by Mr. Hart that they have Messrs. Pearson and Messrs. Samuel behind them; in any case Mr. Shuster, without whose consent no loan or concession can be negotiated, shows no disposition at present to look for loans further than to the Persian Railway Syndicate for railway construction, and to Seligman's for general purposes.

The International Oriental Syndicate's railway proposal would doubtless be more acceptable in principle to the Persian Government than the Persian Railway Syndicate, as it altogether ignores the spheres of influence, but Mr. Shuster is at present all-powerful with the Medjliss, and I understand that he is hopeful of overcoming any objections to the syndicate's proposals on this score. I should mention, however, that Mr. Shuster's views differ widely from those of the syndicate as to the syndicate's remuneration, the latter, as you are probably aware, demand 5 per cent. on the gross receipts as well as 5 per cent. of the estimated cost of construction, whereas Mr. Shuster is only willing to give them 5 per cent. on the profits.

I have, &c.

G. BARCLAY.

P.S. September 30.—Since writing the above I learn that Mr. Shuster is offering as remuneration to the syndicate 15 per cent. of the net receipts with a minimum of 15,000l. a-year.

G. B.

*Enclosure in No. 25**Memorandum by Mr. Hart (of the International Syndicate).*

I CAME out to Tehran as the representative of the International Oriental Syndicate, by request of the Persian Minister in London, in order to obtain an authorisation to construct a railway on behalf of the Persian Government (say) from a point on the Persian Gulf to Julfa (Araxes), with branches to Tehran and Isfahan.

My first interview was with yourself on the 15th July.

On the 17th July I lunched with Muin-ul-Vezareh. Hovanes Khan, who had been deputed to meet us by the Regent, was also present. The question of railway construction was discussed. We had previously informed the Persian Government

that we were prepared to arrange for a loan to them of some 10,000,000*l.* for this purpose.

Guarantees

1. Railway and receipts.
2. Persian Government's total interest in the D'Arcy oil concession.
3. A general charge on the unpledged revenue of Persia.

To clause 3 the Persians objected, Hovanes Khan suggesting that an additional loan should be floated to cover the deficit that there would certainly be during the first few years of working.

I was then asked to make a proposal in writing, which I did. Receiving no reply.

On the 8th August I had an interview with his Excellency Vossough-ed-Dowleh, who told me he would place my proposals before the Cabinet. He asked me not to mention to Mr. Shuster the reason for my coming to Tehran.

I saw Mr. Shuster the same day, but I told him why I had come to Tehran, also that the stumbling-block in negotiations was that we required a general charge on the revenue. "Well," he replied, "I think we can give you that."

I learnt later that, in virtue of a law passed by the Medjliss on the 13th June, all proposals for concessions, or for anything in the nature of a concession, must be presented through Mr. Shuster.

On the 11th August I saw Mr. Shuster again, when he told me that he could on no account agree to a general charge on the revenue as guarantee for a railway.

On the 21st August I laid certain definite proposals before him in writing, which he vetoed absolutely, saying that he could on no account agree to the tying up of the revenue which our proposals involved.

On the 28th August I saw M. Poklewsky, who seemed to think that his Government would have no objection to an international railway (with a board consisting of British, Russians, and French) running through Persia. Nor did he think that his Government would require the northern half of the railway to be policed by Russians unless it were at any time in danger of destruction. "But," he added, "you cannot possibly arrange anything here."

Some eighteen months ago our syndicate offered to consolidate the whole of the existing debts of the Persian Government at 3 per cent.—57½*l.* This proposal was also made officially to them in writing on the 21st February, 1911. The guarantee was a prior charge on all the revenues of the country, particularly the customs.

I renewed this offer personally to Mr. Shuster on the 11th August, and he promised to bear it in mind. I also informed him that we were quite prepared to make any sort of a loan to the Persian Government on reasonable guarantee being offered.

On the 28th August I saw Mr. Shuster again, when he asked me to make a proposal for a loan of 4,000,000*l.* to the Persian Government to be expended solely on "permanent reproductive public works"—security, all the unmortgaged revenue of the Persian Empire.

I telegraphed home, and on the 9th September made a proposal in writing.

In this Mr. Shuster replied verbally that he had answered my letter to the effect that negotiations for a loan with Messrs. Seligman, involving the conversion of the Russian Bank debt, were so far advanced that the Persian Government could not consider the question of any other loan at present. I have not yet received the letter he said he had written. It is regrettable that Mr. Shuster should have asked me to make the proposal and then have replied as he did without even a suggestion as to the suitability or unsuitability of our terms.

I may mention that, before my arrival, Mr. Osborne was continually negotiating with the Persian Government, and had made definite proposals to them. The Persian Government never informed either of us of the law of the 13th June authorising Mr. Shuster to carry on all negotiations for concessions, &c., on behalf of the Persian Government. Nor would they even write a letter to me referring me to Mr. Shuster, although I repeatedly requested them to do so.

H. C. HART.

September 15, 1911.

[41321]

No. 26.

Sir Edward Grey to Sir G. Barclay

(No. 315.)

(Telegraphic.) R.

Foreign Office, October 23, 1911

YOU may tell M. Poklewski that the Persian Railway Syndicate are considering the question of sending a representative to St. Petersburg to discuss scheme of Mohammerah Railway and other lines, as the Medjliss will not consider any scheme limited to spheres of influence. With a view to meeting this objection, the syndicate had sketched out possible prolongation by Russia of some of the lines into Russian sphere, but, in order to avoid any possible misunderstanding, I have informed the syndicate that it would be better that they should first come to an understanding with some Russian group. You may tell M. Poklewski which lines the syndicate propose to ask for and generally what were the prolongations which they had in mind.

The syndicate contemplate sending a representative to Russia to explain everything. I do not think it necessary to explain the matter in detail, but you may give M. Poklewski my personal assurance that I am most anxious to do nothing without Russian knowledge and concurrence.

(Repeated to St. Petersburg, No. 633.)

[41321]

No. 27

Sir Edward Grey to Mr. O'Beirne

(No. 631.)

(Telegraphic.) R.

Foreign Office, October 23, 1911.

MY immediately preceding telegram.

Inform Government to which you are accredited

[42096]

No. 28

Sir Edward Grey to Sir G. Louthier

(No. 284. Secret.)

Sir,

Foreign Office, October 24, 1911

IN conversation to-day the Turkish Ambassador expressed himself ready to conduct negotiations here about our Bagdad Railway proposals; and he gave me to understand that, if we were willing, he would be authorised by his Government to do so.

I replied that we should be quite willing to adopt this course.

I am, Sir,
Yours faithfully,
E. G.

[41982]

No. 29.

Minute by Mr. Mallet.

MR. PREECE, of the Persian Railway Syndicate, called to inform me that the syndicate had had a board meeting and had decided not to send a representative to Russia to discuss co-operation, at any rate for the present, and had sent a telegram to their representative to urge Shuster to take powers from the Medjliss to make contract for Julfa-Mohammerah Railway, or any section thereof, so that the contract for Mohammerah, Khorremabad, or Buruprd line may be concluded at once, thereby facilitating arrangements for construction of northern section by Russia.

I told Mr. Preece that I did not think that you would approve of this without

(1523)

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consulting the Russian Government, and he said that Mr. Greenway and he had taken this line at the board meeting, but that Lynch, who was opposed to the entente with Russia and wished to wreck it, was strongly opposed to negotiations at St. Petersburg.

Enclosure 1 in No. 20.

Persian Railway Syndicate to Mr. Brown (Tehran)

(Translation.)
(Telegraphic.)

Winchester House, Old Broad Street, October 19, 1911.

COULD probably arrange co-operation with Russian syndicate, but this would entail great delay, owing to necessary approval both Governments, and might indefinitely shelve all railway construction. Persia, because of Russian policy, is against railway construction. Therefore think treasurer-general should obtain power make contracts for construction of line from Julfa to Mohammerah, or any section thereof, thereafter concluding our contracts from Mohammerah to Khorremabad or Hurupud, as this would be best possible means ensuring construction by Russia Julfa and other railways in north, because construction such railways would be essential for protection Russian trade.

Enclosure 2 in No. 20.

Mr. Lynch to Mr. Wilson (Tehran).

(Translation.)
(Telegraphic.)

October 20, 1911

SEE Shuster; inform him "Times" to-day contains letter from myself, urging strongly English Russian co-operation with himself. Inform him, confidentially, that I have been told by a reliable source that the Russian Government will involve lengthy negotiations, and this will have the effect of slow-tracking railway construction in Persia. I regard it as essential from Persian point of view that railway Khorremabad should be constructed by British capital without delay, otherwise interest of British public opinion towards Persia likely languish, thus pave way for Russian to occupy any part, therefore encouragement British capital in neutral sphere can only be regarded as safeguard against complete Russian predominance throughout Persia.

[41982]

No. 30.

*Sir Edward Grey to Mr. O'Brien.**

(No. 640.)

(Telegraphic.) P.

Foreign Office, October 24, 1911.

MOHAMMERAH-KHORREMABAD line.

With reference to my telegram No. 316 of yesterday, to Sir G. Barclay, I am now pressing them to send a representative to St. Petersburg. I am pressing them to send a representative, and have told them that no railway scheme will receive my support which extends into the Russian sphere, unless Russian Government agree to it, and that, without Russian consent, it will stand no chance of success.

(Following added for St. Petersburg only):—

Please inform M. Neratof of above.

* Also to Sir G. Barclay, No. 316, matches enclosure

[42135]

Sir Edward Grey to Tewfik Pasha.

Your Highness,

Foreign Office, October 24, 1911.

IN compliance with the request which, under instructions from your Government, you were good enough to make to me on the 16th ultimo, I have the honour to transmit to you the draft of the proposed agreement with the Trucial chiefs of Oman and the Sheikhs of Bahrain and Koweit, to which reference is made in the memorandum communicated to your Highness on the 29th July last.

With respect to these agreements His Majesty's Government have the following observations to make:

As regards No. 1, His Majesty's Government have informed the Sheikh of Koweit that so long as he and his heirs and successors act up to their obligations under the agreement, His Majesty's Government undertake to support them and accord them good offices. His Majesty's Government reserve to themselves the right to interpret that term at their discretion.

His Majesty's Government hold, moreover, a lease of land from the Sheikh of Koweit.

As regards No. 4, His Majesty's Government take occasion to remind the Sublime Porte that British rights in the Persian Gulf and on the coast rest not merely on the agreements concluded, and transmitted herewith to the Ottoman Government, but on the Government of India.

His Majesty's Government hope that in the communication of these agreements together with the supplementary declarations which are hereby brought to the notice of the Ottoman Government, the Sublime Porte will see proof of His Majesty's Government's good-will and desire to facilitate the conclusion of the negotiations set forth in their above-mentioned memorandum.

I have, Sir,

Yours faithfully,

Enclosure 1 in No. 31.

Agreement of January 23, 1899, with Sheikh of Koweit.

(Translation.)

Prasbe to God alone (lit. in the name of God Almighty) ("Bismillah Ta'ala Shahuho").

THE object of writing this lawful and honourable bond is, that it is hereby covenanted and agreed between Lieutenant-Colonel Malcolm John Meade, L.S.C., Her Britannic Majesty's Political Resident, on behalf of the British Government, on the one part, and Sheikh Mubarak bin-Sheikh Subah, Sheikh of Koweit, on the other part; that the said Sheikh Mubarak bin-Sheikh Subah, of his own free will and desire, does hereby pledge and bind himself, his heirs and successors, not to receive the agent or representative of any Power or Government at Koweit, or at any other place within the limits of his territory, without the previous sanction of the British Government; and he further binds himself, his heirs and successors, not to cede, sell, lease, mortgage, or give for occupation or for any other purpose, any portion of his territory to any Government or subjects of any other Power without the previous consent of His Majesty's Government for these purposes. This engagement also to extend to any subjects of any other Government.

In token of the conclusion of this lawful and honourable bond, Lieutenant-Colonel Malcolm John Meade, L.S.C., Her Britannic Majesty's Political Resident in the Persian Gulf, and Sheikh Mubarak bin-Sheikh Subah, the former on behalf of the British Government, and the latter on behalf of himself, his heirs and successors, do each, in

the presence of witnesses, affix their signatures, on this the 10th day of Ramazan, 1316, corresponding with the 23rd day of January, 1899.

(L.S.) M. J. MEADE,
Political Resident in the Persian Gulf

(L.S.) MUBARAK-AL-SUBAH.

Witnesses:

(L.S.) E. WICKHAM HORE, *Captain, I.M.S.*
(L.S.) J. CALVERT GASKIN
(L.S.) MUHAMMAD RAHIM BIN ABDUL NEBI SAYFER.

Enclosure 2 in No. 1

Agreement by Sheikh Mubarak-bin-Subah, Chief of Kuwait.

(Translation.)

I AGREE to absolutely prohibit the importation of arms into Kuwait or exportation therefrom, and to enforce this I have issued a notification and proclamation to all concerned.

Dated this 24th day of Moharrum, 1318 (24th day of May, 1900).
(Seal of Mubarak-bin-Subah.)

Enclosure 3 in No. 31

Postal Agreement of February 28, 1901, with the Sheikh of Kuwait.

(Translation.)
AS the British Government has agreed, in accordance with my desire and for the benefit of traders, to establish a post-office at Kuwait, I, on my part, agree not to allow the establishment here of a post-office by any other Government. I accordingly write this undertaking on behalf of myself and my successors.

(Seal of Sheikh Mubarak-el-Subah.)

Kuwait, the 11th Zil Haj, 1321
(February 28, 1901).

Enclosure 4 in No. 31

Treaties and Engagements relating to Bahrain and the Trucial Arab Chiefs of Oman.

Preliminary Treaty with the Sheikhs of Bahrain, 1820.

(Translation.)

In the name of God the Merciful, the Compassionate

KNOW all men there hath come into the presence of General Sir William Grant, Knt the Saood Abdul Jalil, vakeel on the part of the Sheikhs Sulaiman-bin-Ahmed and Abdulla-bin-Ahmed, and there have passed between the general and the said Abdul Jalil, on the part of the above named, the following stipulations:—

ARTICLE I

That the sheikhs shall not permit from henceforth in Bahrain or its dependencies, nor allow their people to sell anything of any kind whatsoever to such persons as may be engaged in the practice of plunder and piracy; and if any of their people shall act contrary hereto, it shall be equivalent to an act of piracy on the part of such sheikhs.

ARTICLE 2

That they shall deliver up all the Indian prisoners who may be in their possession.

ARTICLE 3.

The Sheikhs Sulaiman bin Ahmed and Abdulla-bin-Ahmed shall be admitted to the terms of the general treaty with the friendly Arabs. End of the articles.

Issued at Sharjah in triplicate on Saturday, the 20th of the month of Rabe-ool-Tebany, in the year of the Hegira 1235, corresponding to the 5th February, 1820

(L.S.) W. G. KEIR, *Major-General.*

The above articles accepted by me in quality of vakeel of the sheikh
SAEED ABDOOL JALIL BIN SAUD
YASAL TABATABAY

(2)

Further Engagement entered into by Sheikh Mahomed bin Khaleefa with the British Government for the more effectual Suppression of the Slave Trade, 1856.

(Translation.)

It having been notified to me by Captain Jones, resident in the Persian Gulf, that an article was omitted to be inserted in the conventions entered into by the maritime chiefs of the Arabian coast and Oman with the British Government for the purpose of prohibiting the importation of, and traffic in, slaves, which convention, on my part, bears date the 22nd Jumadee-ool awal, 1268 A.H. (8th May, 1847), accordingly, I, (purely out of friendship to the Sircar, and to assist it in effectually attaining the object it desires) to put into execution the said article.

The article is this:—

Whenever it shall become known and certain that from any quarter slaves have been brought to my territories, or to any places subject to my authority, I, of my own free will and accord, will seize the said slaves and deliver them over to the British vessels of war. Further, should it be ascertained that slaves have been carried in any of my vessels or in the vessels of people, my subjects, or dependents, and it should happen that the Government cruisers did not fall in with the said vessels, then, no matter where the slaves have been landed, do I hereby bind myself to place an embargo upon the delinquent boat and her nakhoda until such time as instructions have been received from the resident at Bushire regarding them.

Dated this 15th day of Ramzan, A.H. 1272 (or the 10th day of May, 1856 A.D.).
(L.S.) Sheikh MAHOMED BIN-KHALEEFA

A similar engagement was entered into by the maritime chiefs of Ras-ool-Kheirmar, Umool Keirweyn, Dobay, Ejman, and Abou Dhebbec.

(3)

Terms of a Friendly Convention entered into between Sheikh Mahomed bin Khaleefa, Independent Ruler of Bahrain, on the part of Himself and Successors, and Captain Felix Jones, Her Majesty's Indian Navy, Political Resident of Her Britannic Majesty in the Gulf of Persia on the part of the British Government, 1861.

Preliminary.—Considering the tribe disorders which arise and are perpetuated from maritime aggressions in the Persian Gulf, I, Sheikh Mahomed-bin-Khaleefa, independent Ruler of Bahrain, on my own part and on that of my heirs and successors, in the presence of the chiefs and elders who are witnesses to this document, do subscribe having for its object the advancement of trade and the security of all classes of people navigating or residing upon the coasts of this sea:—

ARTICLE 1

I recognise as valid and in force all former treaties and conventions agreed to between the chiefs of Bahrein and the British Government, either direct or through the mediation of its representatives in this Gulf.

ARTICLE 2

I agree to abstain from all maritime aggressions of every description from the British Government in the maintenance of the security of my own possessions against similar aggressions directed against them by the chiefs and tribes of this Gulf.

ARTICLE 3

In order that the above engagements may be fulfilled, I agree to make known all aggressions and depredations which may be designed, or have place at sea, against myself, territories, or subject as early as possible to the British resident in the Persian Gulf, as the arbitrator in such cases, promising that no act of aggression or retaliation shall be committed at sea by Bahrein or in the name of Bahrein, by myself or others under me, or other tribe, without his consent or that of the British Government, if it should be necessary to procure it. And the British resident engages that he will forthwith take the necessary steps for obtaining reparation for every injury proved to have been inflicted, or in course of infliction by sea, upon Bahrein or upon its dependences in this Gulf. In like manner, I, Sheikh Mahomed-bin Khaleefa, will afford full redress for all maritime offences, which in justice can be charged against my subjects or myself, as the Ruler of Bahrein.

ARTICLE 4

British subjects of every denomination, it is understood, may reside in and carry on their lawful trade in the territories of Bahrein, their goods being subject only to an *ad valorem* duty of 5 per cent. in cash or in kind. This amount once paid shall not be repeated. In respect to the treatment of British subjects and dependants they shall receive the treatment and consideration of the subject and dependants of the most favoured people. All offences which they may commit, or which may be committed against them, shall be reserved for the decision of the British resident, provided the British agent located at Bahrein shall fail to adjust them satisfactorily. In like manner the British resident will use his good offices for the welfare of the subjects of Bahrein in the ports of the maritime Arab tribes of this Gulf in advance with the British Government.

ARTICLE 5

These articles of alliance shall have effect from the date of ratification or approval by the British Government.

Done at Bahrein, this 20th day of Zilkad, in the year of the Hegira 1277, corresponding with the 31st day of May, 1861

Signature and seal of Felix Jones,
Political Resident in the Persian Gulf

(Seal of Sheikh Mahomed, Ruler
of Bahrein.)

(Seal of Sheikh Ali bin-Khaleefa,
brother of the above.)

Endors of Bahrein and witnesses to this convention

(Seal of Sheikh Hamid-bin Mahomed,
cousin of Sheikh Mahomed.)

(Seal of Sheikh Ahmed-bin Mubarek,
cousin of Sheikh Mahomed.)

(Seal of Sheikh Khaleefa-bin-Mahomed,
cousin of Sheikh Mahomed.)

Approved by his Excellency the Governor-General in Council on the 9th October, 1861, and ratified by the Government of Bombay on the 25th February, 1862.

Agreement entered into by Ali-bin-Khaleefa, Sheikh of Bahrein, 1868

(Translated)

We, the undersigned, Ali-bin-Khalifeh and the inhabitants and subjects of Bahrein in general, do hereby declare that Mahomed bin-Khalifeh, having repeatedly committed acts of piracy and other irregularities at sea, and having now, after his recent piratical act, fled from Bahrein, has forfeited all claim to his title as Principal Sheikh and Chief of Bahrein, and at the present moment there being no other sheikh, I, Ali-bin-Khalifeh, received the resident's letter addressed to Mahomed bin-Khalifeh, and have understood the demands therein made, and I hereby agree and accept the conditions as follows:—

1. To make over to-morrow morning, the 19th Jamadi-ool-awul, 1285 (7th September, 1868), to the high in rank, Captain Brown, commanding Her Majesty's ships present, all the war bugles and butecis belonging to Mahomed-bin-Khalifeh and myself.

2. To pay the resident the sum of 1 lakh of dollars in the manner specified below:—

25,000 dollars cash, payable on the spot on the 7th September, 1868.

75,000 dollars by three annual instalments of 25,000 dollars, each instalment being payable on the 7th September of each successive year until the total sum is paid up.

3. To consider Mahomed bin-Khalifeh as permanently excluded from all participation in the affairs of Bahrein and as having no claim to that territory, and in case of his returning to Bahrein I promise to seize and make him over to the resident; but if I do not act up to the stipulations now agreed I may be considered a pirate, as Mahomed-bin-Khalifeh himself.

4. In view of preserving the peace at sea, and precluding the occurrence of further disturbances, I appoint an agent on my part at Bushira.

Written on the 18th Jamadi-ool-awul, 1285 (6th September, 1868).

Agreement signed by the Chief of Bahrein, dated December 22, 1880.

(Translated)

I, Isma-bin-Ali Al Khalifa, Chief of Bahrein, hereby bind myself and successors in the Government of Bahrein to the British Government to abstain from entering into negotiations or making treaties of any sort with any State or Government other than the British without the consent of the said British Government, and to refuse permission to any other Government than the British to establish diplomatic or consular agencies or coaling depôts in our territory, unless with the consent of the British Government.

This engagement does not apply to or affect the customary friendly correspondence with the British Government.

The above agreement is subject to the approval and acceptance of his Excellency the Viceroy and Governor-General of India in Council.

(L.S.) Signature and seal of Isma-bin-Ali.
(L.S.) Signature and seal of Ahmad-bin-Ali.

Signed and sealed at Bahrein on the 22nd day of December, 1880, in my presence.

F. C. ROSS, Lieutenant Colonel,
Political Resident, Persian Gulf.

The above agreement was accepted and ratified by Her Britannic Majesty's Government in 1881

E. C. ROSS, Colonel,
Political Resident, Persian Gulf.

*Exclusive Agreement of the Sheikh of Bahrein with the British Government,
dated March 13, 1892*

I, Esau-bin-Ali, Chief of Bahrein, in the presence of Lieutenant-Colonel A. C. Talbot, C.I.E., Political Resident, Persian Gulf, do hereby solemnly bind myself and agree, on behalf of myself, my heirs, and successors, to the following conditions, viz:—

1. That I will on no account enter into any agreement or correspondence with any Power other than the British Government.
2. That without the assent of the British Government I will not consent to the residence within my territory of the agent of any other Government.
3. That I will on no account cede, sell, mortgage, or otherwise give for occupation any part of my territory save to the British Government.

Dated Bahrein, the 13th March, 1892, corresponding with the 14th Shaban, 1339.

Signature of Esau-bin-Ali, Chief of Bahrein.)

A. C. TALBOT, Lieutenant Colonel,
Resident, Persian Gulf

LANSDOWNE,
Viceroy and Governor-General of India.

Ratified by his Excellency the Viceroy and Governor-General of India at Simla on the 12th day of May, 1892

H. M. DURAND,
Secretary to the Government of
India, Foreign Department.

Agreement with the Sheikh of Bahrein for the Suppression of Trade in Arms.

Agreement by the Sheikh of Bahrein, dated the 8th Zil Hijjah, 1315

(Translation.)

I agree to absolutely prohibit the importation of arms into Bahrein territory or exportation therefrom, and, to enforce this, I have issued a notification and proclamation to all concerned.

Proclamation from Sheikh Esau-bin Ali Al Khalifa, Chief of Bahrein, dated the 8th Zil Hijjah, 1315 (April 30, 1893).

(Translation.)

I have issued a notification and proclamation to all concerned, and I have permission to search vessels carrying their and our flags in Bahrein territorial waters, and to search for arms and ammunition in the Indian and Persian ports or the islands of Bahrein. Bahrein vessels found in Indian and Persian waters by British and Persian vessels of war suspected to contain arms and ammunition for Indian and Persian ports and the islands of Bahrein are liable to be searched by the said vessels, and all such arms and ammunition found in them will be confiscated as property of the State.

*Notification by Sheikh of Bahrein, dated the 8th Zil Hijjah, 1315
(April 30, 1893).*

(Translation.)

Be it known to all who see this that, whereas we have already forbidden the sale of arms and ammunition to our subjects in the islands of Bahrein by our notification, and notwithstanding our prohibition, many arms and much ammunition are imported into

Bahrein for the purpose of being exported therefrom to British Indian and Persian ports where such importation is prohibited, and whereas we have resolved to do all that lies in our power to assist the British and Persian Governments in putting a stop to this illegal traffic, we hereby declare that from the date of this notification the importation of arms and ammunition into the islands of Bahrein and the exportation of the same therefrom is absolutely prohibited.

All arms and ammunition in future imported into the islands of Bahrein or exported therefrom will be seized and confiscated as property of the State.

Couluamah or Agreement between Sheikh Abdulla-bin-Croosh, on the part of Sheikh-ul-Ummah, Sheikh Ameer Sultan-bin-Suggur, Ben Kashed, Joannee, and Captain David Seton, on the part of the Honourable East India Company. In Bunder Abbas, this 6th day of February, 1890

ARTICLE 1.

There shall be peace between the honourable East India Company and Sultan-bin-Suggur, Joannee, and the whole of his dependants and subjects on the shores of Aramia and Persia, and they shall respect the flag and property of the honourable East India Company and their subjects wherever and in whatever it may be, and the same the honourable East India Company towards the Joannee.

ARTICLE 2

Should the Joannee infringe the above, they shall be liable in the sum of 30,000 dollars, and on this condition Captain David Seton agrees to receive from Ameer Sultan-bin-Suggur the brig now laying at Muscat, and to drop the claims to the cargo, guns, &c., of the said vessel and the "Shannon."

ARTICLE 3.

Whatever British property shall be found in the Sorie fleet shall be restored.

ARTICLE 4

Should any British vessel touch on the coasts of the Joannee for wood or water, or be forced on shore by storm of weather or any other cause, the Joannee shall assist and protect the said vessel and property, and permit it to be disposed of or carried away, as their owners shall see fit, without claim or demand.

ARTICLE 5.

Should Jchood compel the Joannee to infringe this peace they must give three months' previous notice in all places.

ARTICLE 6.

When the above is confirmed and ratified by both parties the Joannee shall frequent the English ports from Surat to Bengal as before.

DAVID SETON.

(Sealed) ABDULLAH-BIN CROOSH.

Signed, sealed, and confirmed:
SULTAN-BIN-SUGGUR.

Approved and sanctioned by the Governor-General in Council on the 29th April, 1896.

Preliminary Treaty with Sultan-bin-Suggur, 1820.

(Translation.)

In the name of God, the Merciful, the Compassionate!

Know all men that Sultan-bin-Suggur has been in the presence of General Sir William Grant Keir, and there have passed between them the following stipulations:—

ARTICLE 1.

Sultan-bin-Suggur shall surrender to the general towers, guns, and vessels which are in Shargah, Imam, Umm-ool-keiweyn, and their dependencies. The general will leave the boats which are for the pearl fishery and fishing-boats, and the remainder of the vessels shall be at the disposal of the general.

ARTICLE 2.

Sultan-bin-Suggur shall give up all the Indian prisoners, if any such are in his possession.

ARTICLE 3.

The general will not allow the troops to enter the towns to lay them waste.

ARTICLE 4.

After the execution of these engagements Sultan-bin-Suggur shall be admitted to the same terms of peace as the remainder of the friendly ("or pacificated") Arabs.

On these conditions there is a cessation of hostilities between the general and Sultan-bin-Suggur and his followers, with the exception that their boats are not to go to sea.

Done at Ras-ool-Kheimah on the 20th Rabe-ul-Awul, in the year 1235, corresponding to the 6th January, 1820.

(L.S.) W. GRANT KEIR,
Major-General.
(L.S.) SULTAN BIN SUGGUR
(with his own hand.)

Copy of the articles entered into with Sultan-bin-Suggur.

Witness my hand and seal:
(L.S.) W. GRANT KEIR,
Major-General.

Preliminary Treaty with Hassan-bin-Rahmah, 1820.

(Translation.)

In the name of God, the Merciful, the Compassionate!

Know all men that Hassan-bin-Rahmah has been in the presence of General Sir William Grant Keir, and there have passed between them the following stipulations:—

ARTICLE 1.

The town of Ras-ool-Kheimah and Maharra, and the towers which are in the date groves near the town, shall remain in the hands of the British Government.

ARTICLE 2.

If any of the vessels of Hassan-bin-Rahmah are in Shargah or Umm-ool-keiweyn or Imam, or any other of the places to which the general shall go with the force, they shall be surrendered to the general, and the general will leave those which are for the pearl fishery and fishing boats.

ARTICLE 3.

Hassan-bin-Rahmah shall give up all the Indian prisoners, if any such are in his possession.

ARTICLE 4.

After the execution of these engagements Hassan-bin-Rahmah shall be admitted to the terms of the general treaty with the friendly (literally the "pacificated") Arabs. End of the articles.

Issued at Ras-ool-Kheimah in the forenoon of Saturday, the 22nd of the month of Rabe-ul-Awul in the year of the Hegira 1235, corresponding to the 8th January, 1820.

(L.S.) W. GRANT KEIR,
Major-General.
(L.S.) (The signature of Hassan-bin-Rahmah)

Copy of the articles between the general and Hassan-bin-Rahmah.

Witness my hand and seal
(L.S.) W. GRANT KEIR,
Major-General.

Preliminary Treaty with the Sheikh Debat, 1820.

(Translation.)

In the name of God, the Merciful, the Compassionate!

Know all men that Mahomed-bin-Haza bin Zaal, a minor, accompanied by Ahmed bin-Futeis, has been in the presence of General Sir William Grant Keir, and there have passed between them the following stipulations:—

ARTICLE 1.

The people of Debay shall surrender to the general the vessels which are in Debay and its dependencies and the guns which are in the town and in the towers. The general will leave the boats which are for the pearl fishery and fishing-boats.

ARTICLE 2.

The people of Debay shall give up all the Indian prisoners if any such and their possession.

ARTICLE 3.

The general will not allow the troops to enter the town to lay it waste, and further, as a mark of consideration towards His Highness the Imam Saeed-bin-Sultan on the part of the general, he will not demolish the fort and towers.

ARTICLE 4.

After the execution of these engagements Mahomed-bin-Haza-bin-Zaal and his followers shall be admitted to the same terms of peace as the remainder of the friendly (literally the "pacificated") Arabs.

On these conditions there is a cessation of hostilities between the British and Mahomed-bin-Haza-bin-Zaal and his followers, with the exception that their boats are not to go to sea.

Done at Ras-ool-Kheimah on the 23rd of the month of Rabe-ul-Awul, in the year 1235, corresponding to the 9th January, 1820.

(L.S.) W. GRANT KEIR,
Major-General.

(Seal of Ahmed Futeis.)

Witnessed by the signature of Sheikh Hamza-bin-Mahomed-bin-Zabu-al-Moyenne, Sheikh of Kishm, with his own hand.

Copy of the articles between the general and Mahomed-bin Haza bin Zaal.

Witness my hand and seal:
(L.S.) W. GRANT KEIR,
Major-General.

Preliminary Treaty with Sheikh Shahbout, of Abou Dhebbce, 1820.

(Translation.)

In the name of God, the Merciful, the Compassionate!

Know all men that Sheikh Shahbout-bin-Dhyab-al-Talahi has been in the presence of General Sir William Grant Keir, and there have passed between them the following stipulations:—

ARTICLE 1.

If in Abou Dhebbce or any other of the places belonging to Sheikh Shahbout there are any of the vessels of the piratical powers which have been attached or may be hereafter attached by the general during the present war against the pirates, he shall deliver such vessels to the general.

ARTICLE 2.

Sheikh Shahbout shall be admitted to the terms of the general treaty with the friendly Arabs.

Done at Ras-ool Khemah on the 25th Rabe-ul-Awul, in the year 1235, corresponding to the 11th January, 1820.

(L.S.) W. GRANT KEIR,
Major-General.
(L.S.) SHAHBOUT.

Copy of the articles between the general and Sheikh Shahbout.

Witness my hand and seal:
(L.S.) W. GRANT KEIR,
Major-General.

Preliminary Treaty with Hassun-bin-Ali, 1820

(Translation.)

In the name of God, the Merciful, the Compassionate.

Know all men that Hassun-bin-Ali has been in the presence of General Sir William Grant Keir, and there have passed between them the following stipulations:—

ARTICLE 1.

If any of the vessels of Hassun-bin-Ali are in Shargah, or Umm-ool-keiweyn or in any other place, or any other place, which the general shall see with the force, such vessels shall be surrendered to the general, and the general will leave those which are for the pearl fishery and fishing-boats.

ARTICLE 2.

Hassun-bin-Ali shall give up all the Indian prisoners, if any such are in his possession.

ARTICLE 3.

After this Hassun bin-Ali shall be admitted to the terms of the general treaty with the friendly Arabs.

Witnessed by the signature of Hassun-bin-Ali, the 29th of the month of Rabe-ul-Awul, year 1235, corresponding to the 15th January, 1820.

(L.S.) W. GRANT KEIR,
(L.S.) HASSUN-BIN ALI

Copy of the articles entered into between the general and Hassun-bin-Ali in the forenoon of Saturday, the 29th Rabe-ul-Awul, in the year of Hegira 1235, corresponding to the 15th January, 1820.

Witness my hand and seal:
(L.S.) W. GRANT KEIR,
Major-General.

(10.)

General Treaty with the Arab Tribes of the Persian Gulf, 1820.

(Translation.)

In the name of God, the Merciful, the Compassionate.

Praise be to God, who hath ordained peace to be a blessing to his creatures. There is established a lasting peace between the British Government and the Arab Tribes, who are parties to this contract, on the following conditions:—

ARTICLE 1.

There shall be a cessation of plunder and piracy by lands and sea on the part of the Arabs, who are parties to this contract, for ever.

ARTICLE 2.

If any individual of the people of the Arabs contracting shall attack any that pass by land or sea of any nation whatsoever, in the way of plunder and piracy and not of acknowledged war, he shall be accounted an enemy of all mankind and shall be held to have forfeited both life and goods. And acknowledged war is that which is proclaimed avowed, and ordered by Government against Government; and the killing of men and taking of goods without proclamation, avowal, and the order of a Government is plunder and piracy.

ARTICLE 3.

The friendly (literally the pacificated) Arabs shall carry by land and sea a red flag, with a white border, the breadth of the white in the border being equal to the breadth of the red, as represented in the margin* (the whole forming the flag known in the British navy by the title of "Union Jack") and no other.

ARTICLE 4.

The pacificated tribes shall all of them continue in their former relations, with the exception that they shall be at peace with the British Government, and shall not fight with each other, and the flag shall be a symbol of this only and of nothing further.

ARTICLE 5.

The vessels of the friendly Arabs shall all of them have in their possession a paper (register) signed with the signature of their chief, in which shall be the name of the vessel, its length, its breadth, and how many karabs it holds. And they shall also have a paper signed with the signature of their chief, in which shall be the name of the owner, the name of the nakoda, the number of men, the number of arms, from whence sailed, at what time, and to what port bound.

* Not reproduced.

The friendly Arabs, if they choose, shall send an envoy to the
and he shall
and the British
contains the length of the vessel, its breadth, and tonnage
party

If any tribe or others shall not desist from plunder and piracy, the friendly Arabs shall not against them according to their ability and circumstances, and an arrangement for that purpose shall take place between the friendly Arabs and the British at the time when such plunder and piracy shall occur.

The putting men to death after they have given up their arms is an act of piracy and not of acknowledged war; and if any tribe shall put to death any persons, we shall have broken the peace; and the friendly Arms shall not against them in conjunction with the British, and, God willing, the war against them shall not cease until the correction of those who performed the act and of those who ordered it.

ying off of slaves, men, women, or children from the coasts of Africa or elsewhere, and the transporting them in vessels, is plunder and piracy, and the friendly Arabs shall do nothing of this nature.

The vessels of the friendly Arabs, bearing their flag above described, shall enter and into the ports of the allies of the British so far as they wish to trade, and they shall buy and sell therein, and if any shall attack them the British Government shall take notice of it.

These conditions aforesaid shall be common to all tribes and persons, who shall hereafter adhere thereto in the same manner as to those who adhere to them at the time present. End of the articles.

Issued at Ban-ool Khounyah, in Trip senta, at midday, on Saturday, the 22nd of
 of Rabi-ul Awwal, in the year of the Hegira 1235, corresponding to the 8th
 1820 and signed by the contracting parties at the places and times underwritten.

5. Lat Rasool Khermah at the time of issue by -
 (L.S.) W. GRANT KEIR,
He is the
 (L.S.) LASSUN LAKH QADIR
Sheikh of Hatt and Fafna,
formerly of Rasool-Khermah.
 (L.S.) RAJIB BIN AHMED,
Sheikh of Jowrat al Kamra.

An exact translation:
J. P. THOMPSON, Captain,
17th Light Dragoons, and Interpreter.

Signed at Ras-ool Khemash on Tuesday, the 25th of the month of Rabe-ul-Awwal,
in the year of the Hegra 1235, corresponding to the 11th January, 1820.
(L.S.) SHAKBOUT,
Sheikh of Abou Diabbe.

Signed at Rasool-Kheimah at midday, on Saturday, the 29th of the month of Rab-ul-Awwal, in the year of the Hegira 1235, corresponding to the 15th January, 1820.
(L.S.) HASSUN-BIN AYY
Sheikh of Zyah.

The seal is Captain Thompson's, as Sheikh Hassan-bu-Ali had not a seal at the time of signature.

Copy of the general treaty with the friendly (literally the "pacified") Arabs,
with the signatures attached to it, up to the 15th day of January, 1820, 1
Given under my hand and
W. GRANT KEIR

J. J. GIBSON, Captain,
Light Dragoons, and Interpreter.

Ratified by the Governor-General in Council on the 2nd April, 18

Signed for Mahomed bin Haza bin-Zaid, Shaikh of Delah, a man
Friday, the 12th of the month of Rabe-el-ahir
corresponding to the 28th January, 1876
(U.S.)

Signed at Shargah at midday, on Friday, the 19th of the month of Ramee-ee-Sannee,
in the year of the Hegira 1295, corresponding to the 4th February. 1
(L.S.) SULTAN BIN SUGUT,
Chief of Shargah

Signed at Sharjah by the vakeel on the part of the Shakh Sulman bin Ahmed
 I Abdulla bin Ahmed, in his quality of vakeel to the shakh aforesaid, on Saturday,
 the 20th of the month of Rubee-ool-Saure, in the year of the Hegira 1235, corresponding
 to the 5th February, 1820
 (L.S.) SYUD AHMAD, JABEL-BIN SYUD YAS
*Vakeel of Shakh Sulman bin Ahmed and
 Shakh Abdulla bin Ahmed of the family of
 Khalifa, Shakh of Bahrain.*

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(1) At Jemadesool-Awul, in the year of the Hegira 1235, corresponding to the 23rd February, 1820

Signed at Falm, at noon, on Wednesday, the 29th of the month of Jemadee-ul-
Awul, in the year of the Hegira 1235, corresponding to the 15th March, 1820,
(L.S.) RASHEE-BIN HAMID,
Chief of Biman

Signed at Faleia, at noon, on Wednesday, the 29th of the month of Jemades-ool-
Awal, in the year of the Hegira 1235, corresponding to the 15th March, 1820
(L.S.) ABDOOLA-BIN RASHID,
Chief of Umm-ool Keney.
(L.S.) W. GRANT KEIR,
Major-General.

(11)

Article of Agreement entered into by Sheikh Sultan-bin-Suggar, dated Shargah, the 22nd Mohurram, A.H. 1254 (April 17, A.D. 1838).

In the event of vessels connected with my ports, or belonging to my subjects, being taken by the British Government, I, Sultan bin-Suggar, chief of the Joussae tribe, do hereby agree to their being detained and searched, whenever and wherever they may be fallen in with on the seas, by the cruisers of the British Government; and further, that upon its being ascertained that the crews have carried off (literally "stolen") and embarked slaves, their vessels shall be liable to seizure and confiscation by the aforesaid cruisers.

(Sealed by Sultan bin-Suggar.)

Similar agreement signed by Sheikh Rashid bin Hamid, of Ejman; Sheikh Muktoom bin Butye, of Debay; Sheikh Khuleefa bin Shakhout, of Abou Dhebbes.

(12)

Agreement entered into by Sheikh Sultan-bin-Suggar, Chief of Ras-ool Khirmah, dated off Ras-ool Khirmah, July 3, 1839.

(Translation.)

I, Sultan bin-Suggar, sheikh of the Joussae tribe, do hereby declare that I bind and pledge myself to the British Government in the following engagements:—

ARTICLE 1.

That the Government cruisers, whenever they may meet any vessel belonging to myself or my subjects beyond direct line drawn from Cape Dalgado, passing 2 degrees seaward of the Island of Socotra, and ending at Cape Gudel, and shall suspect that such vessels engaged in the slave trade, the said cruisers are permitted to detain and search it.

ARTICLE 2.

Should it on examination be proved that any vessel belonging to myself or my subjects is carrying slaves, whether men, women, or children, for sale beyond the aforesaid line, then the Government cruisers shall seize and confiscate such vessel and her cargo. But if the aforesaid vessel shall pass beyond the aforesaid line owing to stress of weather, or other cause of necessity not under control, then she shall not be liable.

ARTICLE 3.

As the selling of males and females, whether grown up to young, who are "hoor," or free, is contrary to the Mohammedan religion, and whereas the Somaloe tribe is a free people, the said males and females, whether young or old, of the Somaloe tribe, shall be considered as free, and being concerned in such an act shall be punished the same as pirates.

(Seal of Sultan bin-Suggar.)

Note.—A similar agreement to the above was entered into by Sheikh Khuleefa bin Shakhout on the 1st July, 1839, and by Sheikh Muktoom of Debay, and Sheikh Abdoola bin Rashid of Umm-ool-Keiweyn, on the 2nd of the same month.

(13)

Engagement entered into by Sheikh Sultan-bin-Suggar, Chief of Ras-ool-Khirmah and Shargah, for the Abolition of the African Slave Trade in his Ports, 1847.

(Translation.)

It having been intimated to me by Major Hennell, the resident in the Persian Gulf, that certain conventions have lately been entered into by his Highness the Imam

of Muscat, with the British Government for the purpose of preventing the exportation of slaves from the African coast and elsewhere, and it having been explained to me that, in order to the full attainment of its objects contemplated by the aforesaid conventions, the concurrence and co-operation of the chiefs of the ports situated on the Arabian coast of the Persian Gulf are required, accordingly I, Sultan bin-Suggar, chief of the Joussae tribe, with a view to strengthen the friendship existing between me and the British Government, do hereby engage to prohibit the exportation of slaves from the coasts of Africa and elsewhere on board of my vessels and those belonging to my subjects or dependants, such prohibition to take effect from the 1st day of Mohurram, A.H. 1264 (10th December, A.D. 1847).

And I do further consent that whenever the cruisers of the British Government fall in with any of my vessels, or those belonging to my subjects or dependants suspected of being engaged in slave trade, they may detain and search them, and in case of their finding that any of the vessels aforesaid have violated this engagement, by the exportation of slaves from the coasts of Africa or elsewhere upon any pretext whatever, they (the said cruisers) shall seize and confiscate the same.

Dated this 14th day of Jemmedee-ool-Awul, A.H. 1263 (30th day of April, A.D. 1847).

(L.S.) Sheikh SULTAN BIN-SUGGUR

Note.—This engagement is dated the 14th Jemmedee-ool-Awul, 1263 (30th April, 1847).

Ejman.—Sheikh Abdool Azeez's engagement is dated the 15th Jemmedee-ool-Awul, 1263 (1st May, 1847).

Umm-ool-Keiweyn.—Sheikh Abdoolah bin Rashid's engagement is dated the 15th Jemmedee-ool-Awul, 1263 (1st May, 1847).

Abou Dhebbes.—Sheikh Saoud bin Tahnoon's engagement is dated the 17th Jemmedee-ool-Awul, 1263 (3rd May, 1847).

Bahrein.—Sheikh Mahomed bin Khuleefa's engagement is dated the 22nd Jemmedee-ool-Awul, 1263 (8th May, 1847).

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Coast, under the Mediation of the Resident in the Persian Gulf, dated the 1st June, 1845.

We, whose seals are herewith affixed, viz., Sultan bin-Suggar, chief of the Joussae tribe; Khuleefa bin Shakhout, Chief of the Benyas; Muktoom bin Butye, Chief of the Debay; Rashid bin Rashid, Chief of Umm-ool-Keiweyn; Abdool Azeez bin Rashid, Chief of Ejman, being fully impressed with a sense of the evil consequences of the slave trade, and desiring to put an end to it, and to establish a trade without interruption on the banks, owing to the various feuds existing amongst ourselves, and, moreover, duly appreciating the general advantage to be derived from the establishment of a truce, do hereby agree to bind ourselves down to observe the following engagements:—

ARTICLE 1.

That from the date of the above agreement, and that from the above date until the 1st day of Jemmedee-ool-Awul, 1253 an inviolable truce shall be established, during which period our several claims upon each other shall rest in abeyance.

ARTICLE 2.

That in the event of any of our subjects or dependants committing any acts of aggression at sea upon those of any of the parties to this agreement, we will immediately afford full redress upon the same being brought to our notice.

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ARTICLE 3

That in the event of any acts of aggression being committed at sea upon our subjects or dependants, we will not proceed immediately to retaliate, but will inform the British resident or the commodore at Basadore, who will forthwith take the necessary steps for obtaining reparation for the injury inflicted, provided that its occurrence can be satisfactorily proved.

ARTICLE 4

That on the termination of the month of May 1853 by God's blessing we will endeavour to arrange either an extension of this truce or a firm and lasting peace; but in the event of our being unable to come to a satisfactory adjustment regarding our respective claims, we hereby bind ourselves to give notice, on or about the 1st to the British resident, of our intention to renew hostilities after the expiration of the term now fixed upon for this truce, viz., the end of the month of May 1853.

(Signed as in the preamble.)

(15.)

Treaty of Peace in Perpetuity agreed upon by the Chiefs of the Arabian Coast on behalf of Themselves, their Heirs, and Successors, under the Mediation of the Resident in the Persian Gulf, 1853.

We, whose seals are hereunto affixed, Sheikh Sultan-bin-Suggur, Chief of Rasool-Khelmah; Sheikh Saoud-bin-Tahnoun, Chief of Abou Dhoobee; Sheikh Saoud bin-Butyo, Chief of Debay; Sheikh Hamud-bin-Rashed, Chief of Eyma; Sheikh Abdoolah-bin-... for the fit and advantage resulting from a maritime truce contracted amongst ourselves in the Persian Gulf and renewed from time to time up to the present consequence former...

ARTICLE 1.

That from this date, viz., the 25th Rujub, 1269 (4th May, 1853), and hereafter, there shall be a complete cessation of hostilities at sea between our respective subjects and dependants, and a perfect maritime truce shall endure between ourselves and between our successors respectively for evermore.

ARTICLE 2

That in the event (which God forbid) of any of our subjects or dependants committing an act of aggression at sea upon the lives or property of those of any of the parties to this agreement, we will immediately punish the assailants and proceed to afford full redress upon the same being brought to our notice.

ARTICLE 3.

That in the event of an act of aggression being committed at sea by any of those who are subscribers with us to this engagement upon any of our subjects or dependants, we will not proceed immediately to retaliate, but will inform the British resident or the commodore at Basadore, who will forthwith take the necessary steps for obtaining reparation for the injury inflicted, provided that its occurrence can be proved.

We further agree that the maintenance of the peace now concluded amongst us shall be watched over by the British Government, who will take steps to ensure at all times the due observance of the above articles, and God of this is the best witness and

(S) ABDOOLLA-BIN RASHID,
Chief of Umm-ool-Keweyn.
(S) HAMED-BIN RASHID,
Chief of Eyma.
(S) SAEED BIN BUTYE,
Chief of Debay.
(S) SAEED-BIN TAHNOON,
Chief of the Beni yas.
(S) SULTAN-BIN SUGGUR,
Chief of the Joasmee.

Approved by the Governor-General in Council on the 24th August, 1853

(16.)

Additional Article for the Protection of the Telegraph Line and Stations, agreed to and appended to the Treaty of Peace of May 4, 1862-1864.

Whereas, under date the 25th Rujub, 1269 (4th May, 1853) we, Joasmee, Chief of the Beni yas, Chief of Umm-ool-Keweyn, Chief of Eyma, Chief of Debay, did agree to a perpetual treaty of peace at sea, and whereby our vessels have been respected and our commerce increased; and whereas the British Government, in the further interests of commerce and of the general peace, are preparing telegraphic lines and stations at various points in or near the Persian Gulf, we do hereby engage for ourselves, our heirs and successors to respect and abstain from all and every interference with the said telegraphic operations that may be carried on by the said British Government in or near our territory.

And in the event (which God forbid) of any of our subjects or dependants committing an act of aggression or trespass on the said telegraphic lines and stations or other telegraphic material, we will immediately punish the offender and proceed to afford full redress upon the same being brought to our notice.

The telegraphic line being intended for the common good, our subjects and dependants shall be permitted to send messages by the telegraph at such rates of payment as may be paid by British subjects.

(17.)

Agreement of the Abou Dhoobee Chief engaging not to commit any Breach of the Maritime Peace, 1868.

I, Zayid-bin-Khalifeh, do hereby, in the presence of Colonel Pelly, resident, Persian Gulf, bind myself and agree to the conditions stated below:—

I, Zayid-bin-Khalifeh, do hereby engage not to commit any breach of the peace at sea, but if any happen on my part I should suffer the consequences specified below:—

9,000 dollars to be paid at once in cash on this the 28th Jemadi-ul-Awwal, 1285 (16th September, 1868);

8,000 dollars to be paid in the month of Mohurram 1285; and
8,000 dollars to be paid in the month of Rujub, 1285.

2. That I should not prevent the people who have been removed from Guttur to return to their homes if they should so wish.

4. That I should make over to Abdour Rahman, British agent, the Machowa boat given me by Ali-bin-Khalifeh on her return from Bureh.

Written on the 28th Jemadi-ool-Awul, 1285 (16th September, 1868).

Signed and sealed by

ZAYID BIN KHALIFEH

Agreed to in our presence by Zayid bin-Khalifeh, Chief of Abou Dhabbee, on the 16th September, 1868.

LEWIS PELLY, Lieutenant Colonel,
Her Britannic Majesty's Political Resident,
Persian Gulf

R. A. BROWN, Captain,
Commanding Her Majesty's ship "Vigilant."

(18.)

Agreement of the Chief of El Kutr (Guttur) engaging not to commit any Breach of the Maritime Peace, 1868.

I, Mahomed bin-Sanee, of Guttur, do hereby solemnly bind myself, in the presence of the Lord, to carry into effect the undermentioned terms agreed upon between me and Lieutenant-Colonel Pelly, Her Britannic Majesty's political resident, Persian Gulf.

I will not allow any slave to be taken in that port.

I will not allow any slave to be put to sea with me, and I will invariably carry out the terms of this agreement.

3. I promise on no account to aid Mahomed-bin-Khalifeh, or in any way connect myself with him.

4. If Mahomed-bin-Khalifeh fall into my hands, I promise to hand him over to the British Government.

5. I promise to maintain towards Sheikh Ali bin-Khalifeh, Chief of Bahrain, all amity which heretofore subsisted between me and the Sheikh of Bahrain, and in the event of a difference of opinion arising as to any question, whether money payment or other matter, the same is to be referred to the resident.

Dated on the 24th Jemadi-ool-Awul, 1285, corresponding with the 12th September, 1868.

Sealed in our presence by Mahomed-bin-Sanee, of Guttur, on this the 12th day of September.

LEWIS PELLY, Lieutenant Colonel,
Her Britannic Majesty's Political Resident,
Persian Gulf

R. A. BROWN, Captain,
Commanding Her Majesty's ship "Vigilant."

(19.)

Translated Purport of a Letter from Salim bin-Sultan, Chief of Sharqah, to Her Britannic Majesty's Acting Political Resident in the Persian Gulf, dated the 25th Zilhu, 1283 (February 26, 1873).

I was very happy to receive your letter of the 15th Jemadi-ul-Sani, with two copies of treaties entered into by my father, Sultan-bin-Suggur.

I beg to inform you that, as regards fresh importations of male and female slaves, I have prohibited all my subjects and the vessels in my territories from trading in slaves.

All slaves that come to my territories I will carry off according to the terms of the treaty, and make over to the Government agent.

The Government agent has no doubt informed you that I seized the slaves that were brought to my territories in a British vessel, and made them over to the Government.

You may rest assured that I shall carry into effect whatever the Government may desire, and am always happy to receive your commands.

(20.)

Translated Purport of a Letter from Sheikh Zayed-bin-Khalifeh, Chief of Abou Dhabbee, to Acting Resident, Persian Gulf, dated the 5th Moharrum, 1290 (March 5, 1873).

Be it known to you that I received a letter from Colonel Pelly, resident in the Persian Gulf, in regard to the treaty about importation of slaves.

This treaty exists intact, and I am always careful to see that it is not infringed.

(21.)

Exclusion Agreement of the Chief of Abu Dhabi with the British Government, dated March 6, 1892.

I, Zayed bin-Khalifeh, Chief of Abu Dhabi, in the presence of Lieutenant-Colonel A. C. Talbot, Political Resident in the Persian Gulf, do hereby solemnly bind myself and agree, on behalf of myself, my heirs, and successors, to the following conditions:

1. That I will on no account enter into any agreement or correspondence with any Power other than the British Government.

2. That without the assent of the British Government I will not consent to the residence within my territory of the agent of any other Government.

3. That I will on no account cede, sell, mortgage, or otherwise give for occupation any part of my territory save to the British Government.

Dated Abu Dhabi, the 6th March, 1892, corresponding to the 5th Shuaban, 1309 H.

(Signature of Zayed bin-Khalifeh, Chief of Abu Dhabi.)

A. C. TALBOT, Lieutenant Colonel,
Resident in the Persian Gulf

LANSDOWNE,
Viceroy and Governor-General of India.

Ratified by his Excellency the Viceroy and Governor-General of India at Simla, on the 12th day of May, 1892.

H. M. DURAND,
Secretary to the Government of
India, Foreign Department.

(The agreements signed by the other tribal sheikhs, viz., the Chiefs of Dalai, Ajman, Sharqah, Ras-ul-Khima, and Umm-ul-Qawain, the first three dated the 7th and the last two the 8th March, 1892, are identical in form.)

Agreement for the Prohibition of Traffic in Arms.

We, the undersigned tribal chiefs, agree to absolutely prohibit the importation of arms for sale into our respective territories or the exportation therefrom, and to give effect to this we have issued a notification to all concerned:

MAKTUM BIN HASHAR (Daham)
SAGAR BIN KHALED (Samarah)
RASHID BIN AHMED (Um-el Kownin)
AL AZIZ BIN HOMAID (Ajman)
D BIN KHALIFAH (Abu Dhabi)

Signed and sealed in my presence by the above-mentioned tribal chiefs on board the R.M.S. "Lawrence" on the 24th, 25th, and 26th November, 1911.

A. KEMBALL, Lieutenant-Colonel,
Resident Political Resident, Persian Gulf

Notification referred to in the foregoing Agreement.

Be it known to all that whereas it has become known to us that there is a traffic in British India is prohibited, and as we are of opinion that such traffic is likely to be prejudicial to the interests of our territories, we have therefore decided to do all that lies in our power to put a stop to this illegal traffic, and we hereby declare that from the date of this notification the importation of arms and ammunition into our respective territories and the exportation of the same are absolutely prohibited.

All arms and ammunition so imported or exported in future will be seized and confiscated.

[41982]

No. 32.

Mr. Mallet to Mr. Greenway

Dear Mr. Greenway,

Foreign Office, October 24, 1911.

SIR EDWARD GREY regrets to learn that the syndicate have decided to send a representative to St. Petersburg to negotiate for a railway concession extending into the Russian sphere, and that they are in a position to obtain success unless the Russian Government agree to it, and will receive support from me, and that any action on the part of the syndicate which may give reason to think that they are endeavouring to obtain railway concessions in the Russian sphere without the knowledge of Russia must have very undesirable results.

It is pointed out that the Russian Government is affected, is pressing for information respecting the draft contract (see enclosed telegram from Sir G. Barclay), and Sir Edward Grey would propose to send Sir G. Barclay instructions in the sense of the draft telegram annexed.† He does not approve of the syndicate's instructions to their agent to urge Shuster to make a contract for the Juma Mohammed line without giving previous notice to the Russian Government, because it will be open to misconstruction. Sir Edward Grey would be glad to have the syndicate's answer as soon as possible.

I am, Sir,
LOUIS MALLAT.

[42118]

N. 33

Sir G. Louther to Sir Edward Grey.—(Received October 25)

No. 257)

(Telegraphic) P.

Constantinople, October 24, 1911.

BAGHDAD Railway

Acting British consul at Bussorah informs me that it is said there that Germans have ordered twelve steamers as well as twenty-four barges to be sent out there to carry the material for the construction of the railway up the river to Bagdad. He also reports that they are trying to acquire land near Bussorah, on the river, on which to discharge the material.

I am trying to find out about this in Constantinople. Mr. Matthews's telegram, No. 149, is dated yesterday.

[42273]

No. 34.

Minute by Mr. Mallet

I SAW Mr. Greenway this morning. He is willing that Sir G. Barclay should communicate the draft contracts for railways to M. Poldewski and assure him that no step will be taken as regards construction without a complete understanding with the Russian Government.

I strongly urged that the syndicate should send a representative to Russia at once, and Mr. Greenway thinks it might be arranged three weeks hence. He maintained that it will be much simpler to negotiate with Russia when Shuster had got powers from the Medjlis for arranging a contract for the construction of a Mohammedan line or for any section of it. On my pointing out that the syndicate's action in urging Shuster to obtain these powers might be misunderstood, Mr. Greenway explained that Shuster had already announced his intention of obtaining these powers, and that it was not their suggestion.

He appeared to regard our letter as satisfactory.

Telegraph to Sir G. Barclay to communicate the draft contracts and to give the assurance, and repeat to Mr. O'Brien.

L. M.

Foreign Office, October 25, 1911.

[42391]

N. 35

Government of India to the Marquess of Crewe.—(Communicated by India Office October 26.)

(Telegraphic) P.

October 10, 1911.

REFERENCE is invited to enclosure in letter from admir, forwarded with weekly letter of the 29th June, 1911, from Secretary to Government of India to the Department. On being consulted as to possible objection on part of Persian Government to erection of permanent tide-pole, resident, Persian Gulf, recommends consulting Shukh of Mohammedan. Resident also asks whether erection of pole by shukh, under our directions as to details, would be open to any objection. We should see no objection to this, but in view of Persian Government's previous objections (see enclosed in weekly letters from Secretary, Foreign Department, dated the 29th and 30th July), your instructions are solicited.

[42273]

No. 30.

Sir Edward Grey to Sir G. Barclay

No. 322)

Telegraphic) P.

Foreign Office, October 26, 1911.

MUHAMMERAH-KHOREMABAD Railway. See your telegram No. 508 of the 20th instant.

I have seen Mr. Greenway, who agrees that draft contract may be communicated to M. Poldewski. You may now do this, assuring him at the same time that nothing

will be done in the way of construction work until a complete understanding with his Government has been reached.

As regards suggested dispatch of a representative of the Persian Railway Syndicate to St. Petersburg, Mr. Greenway told me that he thought in three weeks' time this could be arranged.

[42327]

No. 37

Lord Ronaldsday to Sir Edward Grey. — (Received October 27.)

Dear Grey,

House of Commons, October 25, 1911

CONSIDERABLE progress has been made during the last week or two with certain preliminary arrangements in connection with the proposed trans-Persian Railway, and I have been asked to ascertain whether, and, if so, to what extent, the British Foreign Office would be prepared to support the promoters of the scheme.

May I remind you that a Russian committee has been in existence for some time; that they are in possession of rough surveys of the Russian portion of the projected line; and that they have worked out rough estimates of the cost of construction of, and probable earnings of, the whole line from Russia to India. Further, that they have the support of the Russian Government, and that on the 1st September last, in England last summer they were given to understand that the scheme had the general support of the British Foreign Office.

Now, as to the British portion of the proposed scheme.

Certain individuals interested in the project are prepared to form an English committee, corresponding to the Russian committee. They are in a position to find the capital, not only for preliminary investigations but for the construction of the line, on certain conditions.

These conditions are that the British Government will join the Russian Government in submitting the proposal of a through line from Russia to India to the Persian Government, and, in the event of the Persian Government assenting to the proposition, give to the scheme their support. It is felt that before the capital is produced it would be necessary to have the concession embodied in some form of convention, signed by the Governments of the three countries.

I ought to add that it is a French financial house that has declared itself ready to find the capital on these terms, though I believe that they have approached Lord Revelstoke and suggested to him that he should act with them.

Can you give me some idea as to what attitude you would take up on behalf of the British Office towards such a proposal if it were laid before you formally by such a committee as I have suggested?

Perhaps I might see you some time at the Foreign Office or here?

Yours sincerely,

RONALDSDAY

[42449]

No. 38

Mr. Greenway to Mr. Mallet. — (Received October 27.)

Winchester House, Old Broad Street, London,
October 28, 1911.

Dear Mr. Mallet,

I HAVE to acknowledge receipt of your letter of the 24th instant, conveying Sir Edward Grey's views on the recent procedure of the Persian Railways Syndicate and of copies of a telegram from Sir George Barclay and draft of a proposed reply.

I have submitted these to my co-directors to-day, and they desire me to point out, as I did briefly at my interview with you yesterday, that Sir Edward Grey's remarks are to some extent based upon misapprehensions.

In the first place, the syndicate has not decided against sending a representative to St. Petersburg. They have merely deemed it advisable to delay this action until it is known whether or not the treasurer-general has succeeded in getting from the Medjlis the powers which he intended asking for, as advised in Mr. Brown's telegram of the 16th instant, viz. to make contracts for the construction of a line from Julfa to Mohammerah on the basis of the terms and conditions already arranged with us.

And the syndicate's telegram of the 19th instant was sent chiefly with a view to pointing out the desirability of his obtaining powers to conclude contracts for the railway section thereof, so that, in the event of their

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wers, if any, the treasurer-general may I

tion that it would be premature, and

they have

tion on of endeavouring to see

Russian sphere. The tele

can be in the draft contract were, as I think

explained to you, and was explained to Mr. Brown and to the treasurer

as more pointed in to the Medjlis has

the contract itself is strictly limited to railways inside the neutral sphere. The

mention of Burujird as an alternative to Khoremahad as the terminus of the southern

line was, of course, understood only to be practicable provided Russian co-operation

in connection I may mention that, in my conversations with M. Poklewski

a decision of this town rather than Khoremahad as the first objective of

the line from Mohammerah was discussed, because, owing to its road connections, it

would tap a far larger share of the internal trade of Persia than would Khoremahad

a railway built to this point would offer much better prospects of

productive working; but it was clearly understood between us that the

from Khoremahad to Burujird could only be built by arrangement with

who have always fully understood that no final arrangements

can without the approval of His Majesty's Government, and

that such approval would necessitate the acquiescence of the Russian Government.

In fact, without such approval the syndicate would not for a moment contemplate

committing themselves to any financial risk whatever other than the money required

for expenses during the period of negotiations, and they would like it to be

understood that it was only in the belief that His Majesty's Government

was extremely desirous of securing the construction of the line now under

negotiation, and that the syndicate's efforts in this direction would receive the

Government's fullest support, that they have undertaken the onus of the negoti-

ation. I hope clear up any doubts as to the bona fides of the

With regard to the suspicions which have apparently been engendered in the

of the Russian Government in consequence of our negotiations, I

venture to suggest that they should be advised that the negotiations which the

syndicate are now carrying on are on precisely the same lines as those discussed by

Mr. Prosser, and the writer with M. Poklewski, in the presence of Sir George Barclay

and Mr. Young, in April last, with the exception that we have since included (at

request) the connection from Bunder Abbas to Mohammerah, and that

arrangement will be concluded without their knowledge and approval.

I may point out that the giving of this assurance does not necessitate delay in

the completion of the contract as now drafted, inasmuch as this is purely

of the securities which may be offered, and upon various other conditions which may

never be fulfilled.

These suspicions, however, seem to owe their origin to the fact that M. Poklewski

has not recently been kept on constant with the progress of our negotiations, but

when the writer was in Tehran it was fully understood that the Russian Minister

would be kept fully posted up in all that was going on, and as there is not the

slightest objection to this from the syndicate's point of view, I beg to suggest that

the proposed telegram to Sir George Barclay should be amended in accordance with

the draft sent herewith.

With reference to Sir Edward Grey's disapproval of the action of the syndicate

[42327]

L

the policy of throwing upon the British taxpayer an indefinite burthen for the purpose of the general lighting and buoyage of the Persian Gulf.

My Lords would be glad to be informed whether the Secretary of State's statement that an international agreement being arrived at, the light might be recovered, is to be taken into consideration by the Government, Turkey, and Persia.

My Lords also agree to the provision of one metylene gas buoy at inner bar, Shatt-el-Arab, in respect of which a capital cost of 300*l.* and an annual charge of 575*l.* My Lords also agree to the provision of one metylene gas buoy at inner bar, Shatt-el-Arab, in respect of which a capital cost of 300*l.* and an annual charge of 575*l.*

My Lords will now proceed to deal with the separate proposals, and I am to say that, on the understanding that the provision of light-houses at Musandam, Tamb Island, and Sheikh Shuaib is of urgent and pressing necessity, they are willing that half the cost of construction and of maintenance charges shall be borne by the Exchequer. This will involve a capital expenditure for this country of 14,000*l.* and an annual charge of 575*l.* My Lords also agree to the provision of one metylene gas buoy at inner bar, Shatt-el-Arab, in respect of which a capital cost of 300*l.* and an annual charge of 575*l.*

As regards the provision of a light-vessel at Shatt-el-Arab, my Lords are not convinced that the heavy expenditure involved is necessary. They observe that it is proposed that this vessel should be stationed about 4 miles to seaward of the outer bar buoy at Shatt-el-Arab, as a Turkish light-vessel is or will probably be stationed near the buoy. In Rear-Admiral Sir E. Slade's letter to the Admiralty dated May 11, 1911, he states that a British vessel is "not absolutely necessary," though both he and the Admiralty think it desirable. My Lords, however, cannot feel that a sufficiently strong case has been made out for the purchase of this vessel, at a cost of 9,500*l.* and charges for upkeep of 600*l.* per annum, and they would urge that the proposal be abandoned.

It is also suggested that there should be a light-vessel at Bushire. Its cost and of the 11th August, 1911, to the Government of India, Rear-Admiral Sir E. Slade states as follows: "From the experience gained of the light-buoy now established on the bar of the Shatt-el-Arab, it would seem that a similar buoy at Bushire in the anchorage would equally well serve all the purposes of navigation at the latter port. The Admiral goes on to say that a light-vessel would add more to British prestige, but my Lords, whilst attaching due weight to this consideration, cannot but feel that it scarcely justifies the enormous disparity in cost of purchase and upkeep between a light-vessel and a buoy. They are willing to agree to purchase of a buoy, fitted as described in Admiral Slade's letter, and they trust that this modification of the original proposal may meet with the Secretary of State's support in view of the urgent necessity for economy.

My Lords think that it would be premature to express their views as regards the second category of the proposals having reference to a light tender. They would be most reluctant to sanction so large an expenditure as 30,000*l.* for this purpose, with the high annual charge of 5,000*l.*, and they trust that it may be found possible to employ the "Patrick Stewart," as has been suggested. If this be done, they are prepared to provide for half the expenses of him.

I am, &c.
ROBERT CHALMER.

[42892]

No. 40.

India Office to Foreign Office.—(Received October 30.)

Sir,

India Office, October 30, 1911.

WITH reference to this Office letter of the 11th September, regarding the communication to the Turkish Government of our treaties with Kuwait and other States in the Persian Gulf, I am directed by the Secretary of State for India to inform you that on a further consideration of the terms in which the Government of India proposed to define our obligations towards the Sheikh of Kuwait, he finds himself no longer able to concur in them.

The telegrams of the 4th December, 1901, and the 11th October, 1902, on which

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N. 4.

Mr. O'Brien to Sir Edward Grey.—(Received October 30.)

(No. 2.)

(Telegraphic.) P.

St. Petersburg, October 27, 1911.

I HAVE made a verbal communication to M. Nératof on the subject of Persian railways in the sense of your telegram No. 840 of the 24th October.

M. Nératof did not offer any comment. It seems doubtful whether the Russian Government, in view of their desire to postpone the construction of lines running towards their sphere from the south, will be inclined to welcome the initiation by the syndicate of negotiations with a Russian financial group, since such negotiations might tend to remove the difficulties in which the syndicate find themselves involved at present.

[1523]

L.

the Government of India appear to have the obligation to protect Koweit by land and sea, in the Marquess of Crewe's opinion clearly refer only to the incidents that occasioned them, and cannot be understood to have given any general undertaking. Nor, in view of the fact that it has since been decided that our obligations extend to the whole of the sheikh's territory as described in "Lorimer's Gazetteer" would it be safe to pledge ourselves to any specific method of defending them. As was pointed out by Lord Morley in this Office letter of the 5th April last, the term "good offices" (which by Colonel Meade's letter of the 23rd January, 1900, we undertook to accord to the sheikh), is a conveniently vague one, and Lord Crewe is of opinion that it is neither necessary nor safe to go beyond it. The action taken by His Majesty's Government in 1901-02, when men and guns were landed at Koweit to defend it against unprovoked Turkish aggression, will, moreover, have made it plain to the Porte in what way we are prepared to interpret the term if necessity arises.

His Lordship would therefore suggest that the formula should run: "As regards No. 1, His Majesty's Government have informed the Sheikh of Koweit that so long as he and his heirs and successors act up to their obligations under the agreement, His Majesty's Government undertake to support them and accord them themselves the right to interpret that term at their discretion."

I am, &c.
R. RITCHIE

[42748]

No. 41.

Sir G. Barclay to Sir Edward Grey.—(Received October 30.)

(No. 526)

(Telegraphic) P.

RAILWAYS in Persia.

Tehran, October 30, 1911.

In reply to your telegram No. 324 of the 25th October, I have the honour to report that treasurer-general has shown me a very confidential letter which M. Zuber, who calls himself a naturalised American, has recently addressed to me.

In the communication in question Zuber endeavours to persuade Shuster to abandon negotiations with Messrs. Seligman, and to deal with him for an "80,000,000 dollar proposition." He goes on to say that he has obtained "a treaty of concessions, in the name of the Persian Government, granting to him all Government loans and certain railway lines" from a certain Persian in Europe. I cannot identify Persian in question, but Sardar Assad may be meant. He says that he will shortly visit Tehran, and that he has associates in Bala, London, and New York who are ready to take action as soon as Government have counter-signed the concession. He says that he will be willing to share profits with treasurer-general.

Letter informs me that he has not answered Zuber's communication, and is ignoring his proposals. Letter is couched in such terms that it hardly deserves serious consideration.

[43050]

No. 42.

Persian Railways Syndicate to Foreign Office.—(Received October 31)

Winchester House, Old Broad Street, London.
October 30, 1911.

Sir,

I BEG to acknowledge your undated letter No. 35716.

I have submitted this to my co-directors of the Persian Railways Syndicate, and they desire me to say—

1. That the position as regards the Russian Government is, as shown by other writings, quite understood, and

2. That they have taken note of the fact that the acquiescence of the Sheikh of Muhammerah is required to article 4 of the draft contract, and await your further advice on this point.

I am, &c.
O. GREENWAY,
Chairman

[43210]

No. 43.

Papers communicated by India Office, October 31.

(1)

Government of India to Commander-in-chief, East Indies

(Telegraphic)

Simla, October 3, 1911.

WHILST recommending that the Mohammedrah sheikh should be consulted subject to our directions as to the manner in which he should be consulted, and in the matter by wire dated 1st June, 1911.

(2)

Commander-in-chief, East Indies, to Government of India

(Telegraphic)

Bombay, October 4, 1911

There is no objection to the suggestion contained in your telegram dated the 3rd October, 1911.

(3)

Director of the Royal Indian Marine to Government of India

In reply to Marine Department letter dated the 21st June last, on the subject of lighting and buoyage of the Shatt-al-Arab bar, I have the honour to observe—

1. As regards the suggestion of officer commanding His Majesty's ship "Odin," that No. 2 buoy should be replaced by a small gas buoy, I am of opinion that if the buoy is increased as to necessitate ships using the channel at night, this

condition,

2. I note that his Excellency the naval commander-in-chief makes no remarks save that he concurs with reference to the suggestion of officer commanding His Majesty's ship "Odin" that the channel could be dredged to obtain and maintain 26 feet. I think that a powerful modern dredger would be able to obtain a depth of 26 feet, and maintain it during the flood season, but during the winter months when south-easters are frequent, there would be long intervals when a dredger would be unable to work.

3. If the traffic of the Shatt-al-Arab River increased to the extent of requiring night navigation, it would probably be necessary to light Nos. 2, 4, 7, and the bar buoy.

4. A permanent tide pole would be of assistance to masters of ships if it were situated near the outer bar, but it is doubtful whether it would not do so during winter months owing to the heavy sea which is prevalent on the bar at that season. A tide pole erected in the position indicated by officer commanding His Majesty's ship "Odin" would be useful as an alternative.

Bombay, August 28, 1911

[43088]

Sir G. Barclay to Sir Edward Grey.—(Received October 31.)

(No. 530.)

(Telegraphic.) P

Tehran, October 31, 1911

RAILWAYS and Sheikh of Mohammerrah.

I see my telegram No. 413 of the 3rd instant

According to telegrams which I have received from His Majesty's consul at Mohammerrah, the sheikh is willing to follow our advice. He points out, however, that his communication to the Persian Government may be met by a rude answer, the Bakhtiaris being in power, and in that case he would be obliged to adopt a firm attitude, and would in consequence need our assistance.

The treasurer-general having decided that he cannot lay the Persian Railways Syndicate's contract before the Medjlis, I have instructed His Majesty's consul at Mohammerrah that the sheikh would do well to postpone for the present the proposed communication to the Persian Government. Cox concurs in this view.

It should, however, be borne in mind that article 4 of the syndicate's contract as regards the free grant of land by the Persian Government, will cause a good deal of trouble sooner or later, not only in so far as the Sheikh of Mohammerrah is concerned, but also in the case of other important owners of land.

[43232]

No. 45

Mr. G. Conway to Mr. Mallet.—(Received November 1)

Winchester House, Old Broad Street, London,

October 30, 1911.

Dear Mr. Mallet,

I HAVE omitted previously to acknowledge your letters dated 15th and 20th instant, for which I am obliged.

I have discussed the contents of these with my co-directors at the last meeting of the board, and we have taken due note of the point that there may be some difficulty in connection with the clauses in our draft contract, based on terms in the Schiguan loan contract, relating to the position of the treasurer-general.

We trust, however, that Russia's objections to these clauses may not be serious, as it would indicate a determination on Russia's part to absolutely block any attempt by Persia to put her finances on a sound basis.

Yours sincerely

C. G. CONWAY

[42892]

No. 46.

Foreign Office to India Office

(Secret.)

Sir,

Foreign Office, November 1, 1911.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 30th October, and to state in reply, for the information of the Secretary of State for India, that Sir Edward Grey concurs in the Marquess of Crewe's proposed deletion of paragraph 3 of the draft note to the Turkish Ambassador, transmitting copies of the agreements with the Sheikhs of Kuwait and Bahrain and the crucial chiefs. The note will now be handed to Tewfik Pasha, with the addition stated by the Marquess of Crewe, viz., that His Majesty's Government reserve to themselves the right to interpret at their discretion the good offices conditionally promised to the Sheikh of Kuwait.

A copy of the amended note is herewith transmitted.

I am, &c

F. A. CAMPBELL.

13

[43068]

No. 47

Foreign Office to Mr. Greenway.

Sir,

Foreign Office, November 1, 1911.

WITH reference to the letter addressed to you from this Office on the 6th October and to your reply of the 30th October, I am directed by Secretary Sir Edward Grey to inform you that Sir George Barclay considers it advisable that the Sheikh of Mohammerrah should defer making to the Persian Government, at the present moment, his proposed communication with a view to safeguarding his rights under his firmans in all matters in so far as concerns lands covered by any railway agreement. I am to add that, in Sir George Barclay's opinion, article 4 of the syndicate's draft contract is, in its present form, not unlikely to give rise to difficulty in Persia both as regards the sheikh's territory and the property of important private owners.

I am, &c

LUCIS MALLET.

42135

No. 48.

Sir Edward Grey to Sir G. Lanthier.

(Secret.)

Foreign Office, November 2, 1911

I HAVE the Turkish Ambassador to-day copies of certain agreements and treaties respecting Kuwait and chiefs in the Persian Gulf, with the covering letter of which a copy is enclosed.

I observed that I gave this information, for which the Ambassador had asked, in order to make it possible to continue negotiations about the Bagdad Railway.

The Ambassador expressed his desire to continue these, and said that he had full power to negotiate with us on the subject.

I am, &c

LUCIS MALLET.

[43536]

No. 49

Sir F. Bertie to Sir Edward Grey.—(Received November 4.)

(No. 459. Secret.)

Sir,

Paris, November 2, 1911.

I HAVE the honour to refer you to your despatch No. 441, Secret, of the 25th ultimo.

I told M. de Selves to-day that you had informed the French Ambassador at London at the time of M. Isvolsky's visit to England in 1908 of the purport of your conversations with the latter on the question of the Dardanelles, but that you had found that two memoranda on the subject had not been communicated to the French Government. As the Russian Ambassador at Constantinople had quite recently raised the question at the Porte, you had instructed me to give those documents to him (M. de Selves) for the secret information of the French Government, so that, in the event of the question being the subject of discussion with the Russian Ambassador, they might be accurately acquainted with the offers which you had made to M. Isvolsky and which he had accepted in the year 1908.

M. de Selves desired me to thank you for the memoranda, which he said would be treated as secret. He added that he was glad to have an accurate record of what you had said to M. Isvolsky.

I have, &c

FRANCIS BERTIE.

122

by J. J. J. J.

7. 4. 2008 14:10

India Office, November 2, 1911.

No objection to consulting sheikh, or to his erecting the pole under supervision of British officers.

No. 51

Office to D

the 15th

I am, &c
F A CAMPBELL.

22

Office —

100

I am to add that the Marquess of Crewe will ascertain the views of the Government of India upon the arrangement now proposed. His Lordship thinks however that, as suggested by that Government in their telegram of the 2nd September last, the cost of employing a vessel of the Royal Indian Marine for the purpose of survey should be borne jointly by His Majesty's Government and the Government of India, and he would be glad to learn whether Sir E. Grey accepts this view.

er 1 in Σ

to India

Admiralty, October 31, 1911

2. Arrangements have, however, been made (as stated in the letter of which a copy is enclosed, addressed by the Commander-in-chief, East Indies, to the Government

* 40.59

1

8. In their Lordships' opinion, while it is important to show that the survey is steadily carried out, its rapid completion is not regarded as of such importance as the precedence of all other work.

most urgent part of the service appears to be the completion of the survey of the northern portion of the Gulf as of closing of the season to the north of the Gulf of Mexico. It is not possible to determine the exact date at which the survey would be inconvenient to this country.

W. GRAHAM GREENE

1

Rear-Admiral Blad to Government of India

Comptroller-in-chief's Office, Bombay.
September 13, 1911.

1. Continuation of my letter of the 15th June, 1911, and with reference to correspondence relative to the surveys in the Persian Gulf, be pleased to inform His Excellency the Viceroy and Governor-General of India, that in connection with the survey of the northern end of the Persian Gulf with Commander Luckman, Royal Indian Marine, the officer in charge of hydrographical work in the Government of India, and with Commander R. H. Walter, Royal Navy, in command of His Majesty's ship "Odin." The latter will assist in the work of the survey as far as the exigencies of the service will allow.

2. I have arranged, subject to the approval of his Excellency in Council, that work to be done this year shall be as shown on the attached tracing. The most important work is the survey of the approaches to the Khatt-el-Arab, as outlined in yellow. This will be done on a scale of 1 to the mile, of the area in a month of the year that was carried out last season.

by the end of the season. This, with the examination of the Madam Sheet, will put the navigation of the approaches to Kowit and the river and the track joining these two places on a satisfactory footing.

4. The survey of the Khor Abdulla and the waterways behind Bubiyan Island
is carried out by the Royal Indian Marine ship "Palnouruz," an opportunity
which will probably be when the weather is too bad for a small ship to
do useful work outside. I have instructed Commander Hickman, in
case of these waters is to be carried out without landing men anywhere, and
no marks of any description on the shores of the Khor. It is also
quite unnecessary to do the survey in any great detail, all that is required being that
a general idea of the positions of the principal channels shall be given.

5 I have further told Commander Hickman that he is not to devote too much time to the in-shore work on the Persian side, but that, after the outlines of the principal banks have been determined, he will report before embarking on a detailed examination of the channel.

I have, &c
FREDERICK W. SLADE

No. 100

Sir Edmund Grey to Sir G. Barclay.

Telegraf hic.) R

Foreign Office, November 10, 1911
 My telegrams Nos 315 and 316 of 23rd October.
 You may now tell M. Poklewski that the Persian Railway Syndicate has shortly
 to send a representative to St. Petersburg to discuss scheme of Mohammedan Railway
 [1523]

1523

her lines, as the Medjiss will not consider any scheme limited to spheres of
With a view to meeting this objection the syndicate had sketched out
the connection by Russia of some of the lines into Russian sphere, but, in order to
avoid any possible misunderstanding, I have informed the syndicate that it would be
better that they should come to an agreement with some Russian group. You may
tell M. Poklewski which lines the syndicate propose to ask for, and general
were the connections which they had in mind for construction by Russia. You may
add that negotiations which syndicate has been carrying on were on lines explained by
Mr Greenway to M. Poklewski in April last, and that it has always been understood
that section from Khorezmad to Burujird, if undertaken, should be built by or in
co-operation with Russia. Representative of syndicate
St. Petersburg. There is no objection to Poklewski seeing draft
I you may keep him fully informed as to progress

[42449]

No. 54.

Foreign Office to Mr. Greenway.

Sir,
I AM directed by Secretary of State to acknowledge your letter of the 11th inst. in
reference to the Persian Railway.
The Secretary of State has never doubted the bona fides of the Persian Railway
Syndicate in its negotiations, but he continues to think that the
a satisfactory outcome of those negotiations lies in the visit to St. Petersburg
of a representative of the syndicate.
It is clear that a previous understanding with Russia is necessary for
construction of a line or any part of a line in the Russian sphere, whatever powers
the treasurer-general may obtain from the Medjiss, and Sir Edward Grey trusts that
the syndicate will arrive at an early decision in this matter.
I am to transmit to you herewith copy of the amended telegram which he has
now despatched to Sir G. Balfour.
I am, &c
F. A. CAMPBELL.

[44621]

No. 55.

Sir G. Balfour to Sir Edward Grey.—(Received November 11)

(No. 355.)
(Telegraphic) P.
PERSIAN railways.
Please see last paragraph of my telegram No. 457 of the 13th October.
There is some uncertainty as to the legality of the present sittings of the Medjiss,
some people contending that it should have legally terminated last month, and I
understand that, in view of this doubt, the treasurer-general has definitely decided to
wait until after the new elections before submitting any schemes to it.

45231]

No. 56.

Treasury to Foreign Office.—(Received November 14.)

Sir,
I HAVE laid before the Lords Commissioners of His Majesty's Treasury
Mr. Mallet's letter of the 31st August last, with its enclosures, dealing with the
proposals for constructing a Trans-Persian Railway, and enquiring whether, in their
Lordships' opinion, His Majesty's Government would be justified in guaranteeing the line.
In reply, I am to request you to inform the Secretary of State for Foreign Affairs
that my Lords gather from a perusal of the papers submitted that, while the proposal
may have a certain political value as a counterpoise to German enterprise in the
adjacent regions, it is put forward in the main in the interests of Russian trade

They note that the Russian Government, while sympathizing with the aims of the
promoters, is at present in no way committed to approval of the scheme as a whole,
and that, even in the event of such approval being ultimately given, they hold out no
hope of any direct State assistance to the project beyond the possibility that any
additional profits arising upon the Russian State railways as a result of through
traffic with the new line might be treated as a guarantee fund for that undertaking.

In these circumstances, it appears to my Lords that the most which could be
asked from the British side would be a similar undertaking with regard to Indian
railway profits.

Whether this should be offered is, of course, a question for the Government of
India. My Lordsships imagine that the prospect of Indian Railway profits being
guaranteed as a result of the construction of the line is so remote that such
guarantee would be of little practical value to the promoters. Indeed—and this
applies equally to the Russian suggestion—the prospect of a guarantee fund dependent
for its existence upon the success of the undertaking is scarcely likely to prove
attractive to investors who will seek protection rather against its failure.

I am to add that even if Russia were prepared to take part in a joint guarantee
of interest upon the capital expended, and if reliable estimates could be furnished of
the probable expenditure and of the working expenses and traffic receipts when the
line was completed, and such estimates showed a reasonable prospect of commercial
success, the objections in principle to involving the Exchequer in liabilities in respect
of commercial undertakings outside the British Empire are so strong, that my Lords
would be most unwilling to submit any proposal of the kind to Parliament.

These conditions are, however, by no means fulfilled. The attitude of the
Russian Government has already been referred to. As regards cost of construction,
such surveys as may have been made appear to be insufficient to determine even the
practicability of the alternative routes (between which no decision has yet been
arrived at), and can clearly provide no basis for an estimate of capital expenditure,
while the estimate of receipts is based upon an arbitrary hypothesis of trade to be
created as a result of opening up the country by the railway itself, without apparent
regard to the character of the country to be traversed or to the wealth or numbers of
the population to be served.

On the facts before them, my Lords see no sort of security that the guarantee, if
given, would not be called upon up to the full amount of the interest on the capital
expenditure involved (estimated at over 20,000,000), and, in these circumstances, the
proposal does not appear to be one which His Majesty's Government can take into
serious consideration.

I am, &c
ROBERT CHALMERS.

[45736]

No. 57.

India Office to Foreign Office.—(Received November 16.)

Sir,
WITH reference to my letter of the 29th August regarding Lieutenant Wilson's
survey of the route for a railway from Mohammerah to Khorezmad, I am directed
by the Secretary of State for India to forward, for the information of the Secretary of
State for Foreign Affairs, copy of a telegram, dated the 6th November, 1911, from the
Government of India on the same subject.

The Marquess of Crewe concurs with the Government of India as to the
importance of securing a foothold at Khor Muz either through the agency of the
Persian Railways Syndicate or by direct negotiation with the Sheikh of Mohammerrah,
and preferably by the latter means, unless Sir E. Grey is of opinion that such
negotiations would unfavourably affect, to a serious extent, the relations of His
Majesty's Government with the Persian Government.

I am, &c.
R. RICHIE.

Cette idée que la politique Allemande songeait à mettre la main sur les routes économiques de l'Empire Ottoman, à faire construire en Asie Mineure une voie ferrée qui, partant de Smyrne, traverserait l'Asie Mineure, et aboutirait au Golfe Persique, parut à mes auditeurs un projet si prodigieusement audacieux qu'ils ne pouvaient pas y croire. La plupart de mes Parlementaires tout en étant des auditeurs fort bienveillants crurent donc que j'exagérais. Il est vrai que j'étais un peu exagéré. Le lendemain consens dans "l'Eclair" d'alors son "fillet politique" au sujet de ma conférence. Quelques autres journaux s'occupèrent également à l'époque de l'affaire de Bagdad dont je venais de révéler ainsi l'existence, ce qui me valut d'être attaqué avec violence par la "Post" de Berlin du 28 Décembre, qui traite mes opinions de "simples fantaisies." Elles étaient si peu fantaisistes, qu'à la suite d'un nouveau voyage à Constantinople, je pus me procurer le texte de la Convention passée en Janvier 1902 entre le Gouvernement Ottoman et la Société des Chemins de Fer d'Anatolie, derrière laquelle se trouvait en fait la Deutsche Bank de Berlin. Cette Convention, qui était et est encore la charte de la future ligne de Bagdad, plaçait l'entreprise sous une étroite hégémonie Allemande. Les Ambassadeurs de Constantinople la connaissaient vaguement, mais le grand public l'ignorait totalement jusqu'au jour où je la publiai en entier dans la "Revue Hebdomadaire" (numéros des 15, 22 Octobre, 1^{er} Novembre, 1902). Cette publication causa de l'émoi en Allemagne dans les milieux intéressés, elle ne passa pas inaperçue en Angleterre, mais en France on continua à faire la sourde oreille. Sur ma demande, un Député, M. Firmin Faure, porta le 24 Mars, 1902, la question à la tribune de la Chambre, mais c'était la dernière séance avant les vacances de Pâques, les Députés ne lui prêtèrent donc pas une suffisante attention et je me vis toujours aussi impuissant à démontrer la portée de ces projets. Cependant le temps passait, les Allemands déployaient dans la course la plus grande activité. Ils étaient parvenus à endormir les Russes qui sur les conseils de Guillaume II s'empêtraient de plus en plus en Extrême-Orient et presque à convaincre le Quai d'Orsay du caractère non politique de l'entreprise. Sur la fin de l'année 1902, le 1^{er} Mai 1903 une émission en France des titres de la future ligne de Bagdad, émission devant s'élever à plusieurs centaines de millions de francs, afin de permettre de commencer immédiatement les travaux sur plusieurs points à la fois. Si cette émission avait pu être lancée dans de pareilles conditions, c'en était fini, l'épargne Française se serait précipitée sur les titres et cette fois-ci l'Allemagne n'aurait plus été en mesure de profiter exclusif du Roi de Prusse. Chez nous l'opinion publique continuait à rester indifférente.

Il parut chez Plon, au début d'Avril 1903, sous le titre "La Macédoine—Le Chemin de Fer de Bagdad."

En quelques jours cette campagne de presse prit une intensité telle qu'à la suite de discrètes négociations qui eurent lieu à l'époque entre Londres et Paris, l'importance énorme de l'affaire de Bagdad fut si bien reconnue au Quai d'Orsay que les Allemands durent renoncer à la furieuse émission qu'ils pensaient pouvoir faire fort tranquillement en France en Mai 1903. Sur le point de réunir une affaire d'importance internationale, l'Allemagne fut aussitôt surveillée par les Anglais et quelque peu aussi par la France, est restée dans la pénombre de la diplomatie.

Actuellement, ils s'attaquent au triangle qui doit traverser la chaîne du Tourna
et qui, de ce chef, exigera à la fois beaucoup de temps et des dépenses considérables.
La nécessité de trouver de l'argent les pousse donc à nouveau et l'Empereur Guillaume,
qui s'intéresse passionnément à l'affaire, veut la voir réussir; aussi, dans les
derniers mois, les Allemands ont-ils songé à revenir à la charge afin d'aboutir à ce qui

Nous savons qu'il y a dans le Consortium qui s'intéresse à l'Assure de Haglad des constructeurs et des financiers Français. Constatons tout d'abord qu'ils sont parfaitement libres de participer à une entreprise Allemande. On ne saurait leur adresser le moindre reproche. On doit même leur souhaiter qu'en tout état de cause ils puissent y gagner le plus d'argent possible.

Notre campagne à propos de l'affaire de Bagdad ne les vise donc aucunement, je tiens à bien l'établir, c'est ce que prouve d'ailleurs ce qui va suivre et qui montre que ce n'est pas l'entreprise du Chemin de Fer de Bagdad en elle-même que je combats mais uniquement les conditions politiques dont lesquelles elle se présente et aussi les

Voyons les choses clairement

Le Chemin de Fer de Bagdad est intéressant pour les Allemands au point de vue politique, car il leur permettrait de faire pénétrer profondément leur influence au cœur même de l'Empire Ottoman; il est encore intéressant au point de vue économique, car le jour où le nouveau railway serait construit, un splendide nouveau débouché s'offrirait à nos produits. Les Français, quant à eux, ne sauraient être le même, car en mettant les choses au mieux et en admettant que dans l'avenir le Chemin de Fer de Bagdad devienne une excellente opération financière, il n'en est pas moins certain que pendant dix ou quinze ans au moins le rendement de la nouvelle voie forcée serait tout à fait insuffisant pour rémunérer le capital engagé. De telle sorte qu'en définitive, les titres du Chemin de Fer de Bagdad subiront fatalement une dépréciation qui, pendant une dizaine d'années, sera suffisante pour que, au bout de quelques années, les braves Français qui les auront payés le prix fort se lassent et les revendent à bas prix aux Allemands qui s'empresseront

C. L. A. ARIK.

2

Inclosure in No. 66

Extract from the "Levant Herald" of November 20, 1906

LE CHEMIN DE FER D'ANATOLIE

L'E "Sabah," parlant du projet, déjà arrêté, de relier le Chemin de Fer d'Anatolie par un embranchement à un port Ottoman de la Méditerranée, dit que Mersine est tout indiqué pour cela. Plusieurs ingénieurs étudient actuellement sur place cette question. Le sol du Vilayet d'Adana, arrosé par divers cours d'eau, est extraordinairement fertile. La population n'a cependant commencé à le mettre en valeur d'une façon plus ou moins sérieuse que depuis la construction du Chemin de Fer Mersine-Adana.

Au delà d'Adana, il y a d'autres régions non moins favorisées par la nature.

La Syrie et l'Irak peuvent produire plus de blé, dit notre confrère, que toute la Russie. Aux environs de Khorkuk, il y a des terrains pétrolifères, susceptibles de produire dix fois plus de naphte que les sources de Bakou. L'Irak est également très propre à la culture du coton. Cette région possède aussi de nombreux gisements de houille.

Une fois le Chemin de Fer d'Anatolie prolongé jusqu'à Bagdad, avec embranchement à Mersine, c'est encore cette ville et, en second lieu, toute la Province d'Adana qui profiteront le plus du trafic.

En outre, la valeur des terrains augmentera d'une façon extraordinaire à Mersine. De nouvelles agglomérations surgiront dans les déserts de cette ville.

En prévision de ce proche et brillant avenir, plusieurs personnes achètent partout des terrains. Les paysans, étant pauvres, cèdent à vil prix leurs champs.

Notre confrère engage vivement ceux-ci à conserver leurs propriétés. "Dans l'avenir, dit-il, que l'on choisisse Youmourtalik au lieu de Mersine comme terminus de cette dernière ville, en raison de sa proximité avec la première, aura toujours une grande part aux avantages réservés à Youmourtalik."

LE VILAYET DE BAGDAD ET LA MESOPOTAMIE

L' "Ikdam" consacre, lui aussi, un article aux questions économiques. Notre confrère s'occupe particulièrement de la situation actuelle de Bagdad et en général de la Mésopotamie, riches contrées qui pourraient devenir le grenier d'abondance par l'irrigation, au moyen de canaux, du Tigre et de l'Euphrate. Ces deux fleuves ne font actuellement que dévaster, dans leurs débordements périodiques, de vastes étendues où se forment des marais.

L' "Ikdam" demande que l'on rende plus faciles les communications avec cette région. Il montre que l'affaire n'est pas aussi difficile qu'on le croit.

Pour assurer le transport plus ou moins rapide des produits de l'Irak il y a la voie de terre débouchant sur un pont quelconque de la Méditerranée et la voie fluviale aboutissant au Golfe de Bassorah. Pour la voie terrestre, on peut établir un service de voitures entre Bagdad et la ville d'Alep qui est reliée par la voie ferrée de Haïma à Beyrouth et par une chaussée à Alexandrette. La route entre Bagdad et Alep n'est pas accidentée. Elle est souplement rocailleuse. On peut donc avec très peu d'effort la rendre carrossable. La distance alors parcourue actuellement en vingt-cinq jours serait abrégée de deux jours. En ce qui concerne les transports par la voie fluviale, notre confrère n'est pas d'avis de remplacer les radeaux affectés naturellement à ce service entre Dabouk, Mossoul, et Bagdad, car les bateaux ne peuvent pénétrer partout. Comme cependant les radeaux, tout en descendant le cours des rivières, ne peuvent pas le remonter, l' "Ikdam" estime qu'on pourrait parfaitement établir, comme on l'a fait dans quelques pays en Europe, un service de bateaux à vapeur par la vapeur pour les royaumes en amont seulement.

[37938]

No. 7

Memorandum for communication to M. Izvolsky, November 27, 1906.

(Confidential.)

His Majesty's Government have had under consideration the attitude which they should adopt upon the Bagdad Railway question, in the event of the line being prolonged beyond the Taurus Mountains. They are of opinion that no step should yet be taken on their part, until Germany reopen the question.

They do not consider that the enterprise in its present stage is of more than importance, but, if it is developed into a through line of communication

Europe and the Persian Gulf, it would raise political questions. In these circumstances it would, His Majesty's Government consider, be desirable if an Arrangement could be arrived at whereby Great Britain, Russia and France, as well as Germany might have an opportunity of participating in the undertaking.

It is clear that the possibility of concluding an Arrangement of this nature must depend upon the attitude taken up at Berlin in regard to this matter, but it would nevertheless be desirable that the three Governments should arrive at a preliminary understanding as to the lines on which a satisfactory settlement could be made.

Foreign Office, November 27, 1906

37938.

No. 68

Sir Edward Grey to Sir A. Nivolaan.

No. 522.

Sir,

Foreign Office, November 27, 1906

I HAVE received your despatch No. 746 of the 17th instant reporting a conversation with the Russian Minister for Foreign Affairs on the subject of the Bagdad Railway, in which his Excellency inquired if you could provide him with a Memorandum for his confidential information, setting forth the views of His Majesty's Government on your language on this occasion, and I enclose a Memorandum for communication to M. Izvolsky.

In case his Excellency asks for further information, that an Inter-Departmental Committee is discussing the subject, and is endeavouring to collect as much information as to the best way of dealing with the Memorandum.

I am, Sir,
(Signed) EDWARD GREY

[40198]

No. 69

Mr. Lister to Sir Edward Grey.—(Received November 29.)

(No. 101)

(Telegraphic) Re clair

Paris, November 29, 1906

AGENCE Fourrier publishes following statement:—

Negotiations are said to be proceeding at this moment between the French and German Governments for the admission to the Paris market of the shares and bonds of the Bagdad Railway. If this report were confirmed, it would be the best sign of a rapprochement between the two countries, for up to the present the French Government was always opposed to French capital being invested in a railway destined to strengthen German preponderance in the East. Negotiations are said to be also proceeding at Constantinople and London.

On inquiry at the Ministry for Foreign Affairs I was informed that there was no foundation for this statement.

[40711]

No. 70.

Sir F. Bertie to Sir Edward Grey.—(Received December 4.)

(No. 481. Confidential.)

Sir,

Paris, December 2, 1906.

WITH reference to my despatch No. 462, Confidential, of the 21st ultimo, I have the honour to report that M. Pichon told me this morning that, as a result of the inquiries which he had made, he had come to the conclusion that the Germans will not, with only their own pecuniary resources, be able to continue the Bagdad Railway through the Taurus range of mountains. They wish to produce the impression that they can do so, but they really depend on being able to obtain further kilometric guarantees through the 3 per cent. additional Turkish customs duties, to be levied with the consent of the Powers, and M. Pichon said that he had instructed the French Ambassador at Constantinople to act in concert with His Majesty's Ambassador in dealing with the questions still at issue in regard to the levying of the additional duty.

I told his Excellency that I had been given to understand that the Banque des Pays-Bas might be willing to assist the Germans financially. He said that the French Government would certainly oppose any such proceeding until terms in regard to the payments, and that he would make inquiries as to what negotiations might be going on between the Bank in question and the German parties concerned in the railway.

I have, &c.
(Signed) FRANCIS BERTIE.

[41207]

No. 71.

Mr. G. Barclay to Sir Edward Grey.—(Received December 8.)

(No. 216)

(Telegraphic.) P.

Constantinople, December 7, 1906.

DEBT at private meeting yesterday decided to agree to a loan of £1,200,000 for Macedonia in case of deficit, reimbursing themselves from the surplus of taxes, which will almost certainly suffice. The Debt and the Porte will agree on a source from which to meet deficiency to secure the surplus of the ceded revenues as a second guarantee, but met with opposition of all his colleagues, including French, and he will have to accept some arrangement when definite decision is taken on the 10th instant.

The arrangement will provide the money required for Macedonia, but surplus of ceded revenues will be free in about two years, when temporary charges are extinguished. The French Ambassador thinks we have got all we can ask for.

As far as Macedonian financial reform is concerned, so long as money is guaranteed the source from which deficiency in taxes surplus is met is indifferent, and by holding out for hypothecation of further revenues we shall expose ourselves to charge of having ulterior motives, and give umbrage to Germany.

Therefore, although it is evident that the Germans mean ultimately to utilize the surplus of the ceded revenues for the Bagdad Railway, I think that further opposition by our Delegate on Debt to the present scheme would hardly be advisable.

[41268]

No. 72.

Sir A. Nicholson to Sir Edward Grey.—(Received December 10.)

(No. 784)

St. Petersburg, November 26, 1906.

THE French Ambassador told me to-day that he had received a Memorandum from Paris giving an account of a conversation between you and M. Cambon in regard to the Bagdad Railway, and he gathered from this communication that an impression prevailed in London that the Russian Government were interesting themselves actively with respect to a participation in the above enterprise. He inquired of me whether I had discussed the question with M. Levolsky, and whether I had understood from the latter that the Russian Government were anxious or ready to join in a participation of the four Powers in the railway. I told M. Bompard that I

ascertain the views of the Russian Government. I read to him my despatch No. 716 of the 7th instant, and I said that from that report he would see that M. Levolsky had no definite views on the question of participation, that some members of the Cabinet were still in doubts as to whether the Russian Government should participate in or facilitate the construction of the line, and that I was awaiting some particulars which might be of service to M. Levolsky in examining the question.

M. Bompard said that he was confident that among the members of the Russian Cabinet there was strong opposition to Russia participating in the scheme; but that in any case there could, in his opinion, be no question of either Great Britain, France, or Russia participating until Germany had made some advances to them to do so. He did not see that the question of the Bagdad Railway was "à l'ordre du jour"; it was possible that the line would be carried through to Taurus and down to Alexandretta without foreign participation, but it would be a matter of two or three years before the question of its further prolongation need be seriously entertained, and in the meantime other countries should take part in the enterprise.

As the above appeared to me to be the personal views of M. Bompard, I did not discuss the question with him, and I would prefer to await the further instructions which I might receive from you on the question. I inquired of his Excellency whether the Ottoman Government had already possessed a share in the undertaking. M. Bompard said that originally negotiations had proceeded with the knowledge and approval of the French Government between the Ottoman and the Deutsche Banks, but on account of a vigorous campaign conducted against France participating officially in the enterprise, and in view of the hostility of the Russian Government to the scheme, the negotiations fell through on the question of the equality of French and German representation on the Board of Directors and in the Administrative Council.

The Ottoman Bank, however, continued the discussions on its own account, and without the knowledge of the French Government. The latter, he believed, were now cognizant of the nature of these negotiations, but they would not take official notice of them, and as the Ottoman Bank was acting without the approval of the French Government, the Deutsche Bank had exacted harsher conditions than would otherwise

be the case in the case of internationalizing the line, but he did not know in what shape this arrangement would have to come in the first instance from the German Government.

I have, &c.
(Signed) A. NICHOLSON.

[41532]

No. 73.

Mr. G. Barclay to Sir Edward Grey.—(Received December 10.)

(No. 220)

(Telegraphic.) P.

Constantinople, December 10, 1906.

THE Debt at this afternoon's meeting decided by five to one to accept the proposal of the Porte to pay the £1,200,000 as soon as the 3 per cent. increase begins, to be reimbursed from the surplus of taxes. The British Delegate refused consent before obtaining the approval of his bondholders, urging that this decision, which will bind the Debt Council before the Powers for seven years, is one of the most important it has ever taken, nor did he give way when the French Delegate declared that his action would endanger the 3 per cent. settlement. Notwithstanding above, the Debt decision is valid under the Decree of Malatya.

[41995]

No. 74.

Sir F. Bertie to Sir Edward Grey.—(Received December 15.)

(No. 805. Confidential.)

Sir,

Paris, December 13, 1906.

M. GASTON AUBOYNEAU, Administrator of the Imperial Ottoman Bank, called on me this evening by desire of the Minister for Foreign Affairs, with whom he had just had an interview, and expressed a wish to dispel certain misunderstandings that seemed to exist as to the position of the Ottoman Bank in Paris with regard to the recent action of the Delegate of the French Bondholders of the Ottoman Debt on the Council of the Debt, in opposing the suggestion of the British Delegate that for the provision of the £ T. 250,000 annually for Macedonia there should, in addition to the proposed hypothecation of the tithe surplus, be a second guarantee on the ceded revenues.

M. Auboyneau went into some detail as to the position of the Bank and the Debt Council in regard to the negotiations on the proposal for an increase of Turkish Customs; but he said that he had come chiefly to clear himself of any suspicion of having acted against Anglo-French interests. He stated that, owing to the claims of the Ottoman Bank for temporary loans to the Turkish Government secured on the surplus ceded revenues, they will not be available for three years to come for Bagdad Railway purposes.

He pointed out that, even if the French Delegate had voted with his British colleague, they would have been in a minority, inasmuch as the other Delegates—German, Austrian, Italian, and Turkish—would have outvoted them.

It was, he said, important for the interests of the bondholders that the negotiations for the increase of 3 per cent. in the customs should not break down.

M. Auboyneau stated that there could not be any doubt that Germany had a Secret Agreement with the Sultan for the eventual application of the surplus ceded revenues for the construction of the Bagdad Railway, whether it was a written or a verbal undertaking on the part of the Sultan he did not know, but, as he had already said, for three years these revenues were blocked. The Ottoman Bank had had no negotiations on the subject with the Deutsche Bank nor with Mr. Gwinner for several months past, nor would the bank take part in any negotiations without the knowledge of the French Government. The section of 200 kilom. through the Taurus would, he said, be so costly that it would be necessary to construct on the same guarantee the two following sections, making 800 kilom. in all, so as to make the average expenditure on the three sections less. He was certain that money could not be raised by Germany for the construction of these three sections without foreign financial help, and he explained that the Ottoman Bank is only interested in the railway in so far as it holds a certain number of shares in the undertaking.

M. Auboyneau wished it to be understood and to assure me that in all dealings in connection with the Bagdad Railway the Ottoman Bank would act in accordance with the wishes of the French Government.

I have, &c.

(Signed)

FRANCIS BERTIE.

[43093]

No. 75.

Mr. G. Barclay to Sir Edward Grey.—(Received December 17.)

(No. 802. Secret.)

Sir,

Constantinople, December 12, 1906.

I HAVE the honour to transmit herewith a record of a very interesting conversation regarding the Bagdad Railway, which Mr. Braham, correspondent of the "Times" in Constantinople, has recently had with the German Ambassador.

Baron von Marschall has always treated Mr. Braham with great confidence, and I do not doubt his Excellency intended that what he had said should be confidentially communicated to me.

I have, &c.

(Signed)

G. BARCLAY.

Inclosure in No. 75.

Record of Conversation between the German Ambassador at Constantinople and Mr. Braham.—(Communicated by Mr. Braham.)

THE German Ambassador told me frankly and spontaneously this morning that he is determined to push on the construction of the next section of the Bagdad Railway. He is confident that he will be able to secure the small revenue required as guarantee, but whether this year or next year he cannot say.

The Syndicate had wished to undertake the next two sections together; that Turkey had not money enough for that, and he was not going to press it. The Syndicate had even suggested leaving out the Taurus section on account of its difficulty and costliness, and continuing the line from Adana towards Aleppo. As a gentleman ("anständiger Mensch") he had put his foot down about this, and had insisted on the Taurus section being built and built alone, precisely on account of its costliness. "It is said against us that we took the 54,000,000 fr. stock from the Turks, and, having built with it a railway not costing anything like that sum, had put the rest in our pockets." In order to put a stop to these attacks the large sums economized on the first section must go towards the expenses of the second, which would cost more than the equivalent of the 54,000,000 fr. stock to be received by the Company for the construction. I reminded him that in the Company's balance-sheets the sum economized and set aside as a special reserve was given as only a sum of 3,000,000 fr. He scoffed at this, and said that, although he did not know the exact figures, for the Company did not show him its private accounts, he did know that not more than two-thirds of the 54,000,000 fr. had been spent, and that none of this saving had been divided. Even the French bankers, who had tried their best, had not been able to get a penny of it. If the Taurus section were not taken in hand soon the money would be divided among the banks, the complaints of the Turks would be justified, and the Konieh-Begli section, left without any near outlet to the sea, would remain as useless as it is to-day.

He went on to argue that the construction of the second section, which would make the first section worth something, could not affect our interests in any way, as they did not begin before the neighbourhood of Mosul. I pointed out that when once they were over the Taurus they might be in a better position to negotiate with us than they are at present.

His Excellency replied that I must recognize the impossibility of their building the whole line without England. "Wir sind nicht solche Narren um gegen Sie die Bagdad Bahn bauen zu wollen."

[41268]

No. 76.

Sir Edward Grey to Sir F. Bertie.

(No. 706.)

Sir,

Foreign Office, December 17, 1906.

WITH reference to my despatch No. 621 of the 8th ultimo, I transmit herewith to your Excellency copy of a despatch from Sir A. Nicolson,* giving the views of the French Ambassador at St. Petersburg on the question of the participation of the Russian Government in the Bagdad Railway.

I should be glad if your Excellency could ascertain the nature of the negotiations which have passed between the Ottoman and Deutsche Banks.

I am, &c.

(Signed)

E. GREY

[42372]

No. 77.

Sir F. Bertie to Sir Edward Grey.—(Received December 18.)

(No. 817.)

Sir,

Paris, December 16, 1906.

WITH reference to my despatch No. 454 of the 17th ultimo, inclosing an article by M. Chéradame in "L'Energie Française" on the subject of the Bagdad Railway, I

* No. 72.

have the honour to transmit to you herein an extract from that paper affirming that, after the fall of M. Delcassé, M. Rouvier offered to conclude a Convention with Germany on the subject of (1) an arrangement respecting the Bagdad Railway; (2) a rectification of the frontier of Cameroon, giving additional territory to the German Colony.

I have, &c.
(Signed) FRANCIS BERTIE.

Inclosure in No. 77.

Extract from "L'Energie Française," of December 15, 1906.

UN PROJET DE CONVENTION FRANCO-ALLEMANDE DÉVOILÉ. — Le "Berliner Tageblatt" possédait ces jours-ci, au Chancelier de Bulow, une série de questions fort embarrassantes, parmi lesquelles on relevait celle que voici:—

"Le Chancelier sait-il qu'après la chute de M. Delcassé, en Juin 1905, M. Rouvier offrit une Convention spéciale à l'Allemagne qui aurait pu être encore plus avantageuse pour l'Allemagne que la Convention Franco-Anglaise l'a été pour l'Angleterre?"

"Le Chancelier n'est-il pas d'avis qu'une semblable Convention Franco-Allemande aurait beaucoup enlevé de son importance à l'entente cordiale et aurait été au moins un contrepoids?"

Les journaux Français qui ont reproduit le questionnaire du "Berliner Tageblatt" adressé au Chancelier, n'ont pas fait ressortir qu'il avait pour auteur M. Wolff, directeur de ce journal, tout récemment encore correspondant du même organe à Paris. M. Wolff suivit, en cette qualité, toutes les péripéties de la crise Franco-Allemande de 1905. A l'époque, M. Wolff avait l'oreille de l'Ambassade.

Eh bien, nous sommes en mesure de pouvoir assurer que M. Wolff, en la circonstance, dit la vérité. Oui, si invraisemblable que cela puisse paraître, M. Rouvier offrit à l'Allemagne, après la chute de M. Delcassé, de conclure avec elle une Convention spéciale portant sur (1) un arrangement au sujet du Chemin de Fer de Bagdad; (2) sur une rectification de la frontière du Cameroun Allemand qui eût agrandi cette Colonie dans de notables proportions.

[42880]

No. 78.

Sir F. Bertie to Sir Edward Grey.—(Received December 31.)

(No. 527. Confidential.)

Sir,

Paris, December 30, 1906.

IN your despatch No. 705 of the 17th instant you forwarded to me a copy of a despatch from His Majesty's Ambassador at St. Petersburg, giving the views of the French Ambassador at that capital on the question of the participation of the Russian Government in the Bagdad Railway undertaking, and you stated that you would be glad if I could ascertain the nature of the negotiations which have passed between the Ottoman and Deutsche Banks. The French Ambassador stated to Sir A. Nicholson that originally negotiations for the participation of the French banks in the enterprise had proceeded with the knowledge and approval of the French Government, but that the negotiations fell through on the question of the equality of French and German representation on the Board of Directors and in the Administrative Council. The Ottoman Bank had, however, continued the discussions on its own account, and without the knowledge of the French Government, who, M. Bompard believed, were now cognizant of the nature of those negotiations.

In the course of the interview which I had with M. Auboyneau, the Administrator of the Ottoman Bank at Paris, on the 13th instant, which I had the honour to report to you in my despatch No. 505, Confidential, of that day, he referred to the negotiations which had taken place between the Ottoman and the Deutsche Banks several months ago. He did not tell me the nature of those negotiations, but he replied in the affirmative to my inquiry whether they had fallen through owing to the refusal of the German Bank to give to the proposed French participants rights equivalent to the money to be provided by them. It was evident that he did not intend to disclose the particulars of the negotiations; I therefore did not pursue the subject.

I had intended to endeavour to obtain the information which you require from the Minister for Foreign Affairs yesterday, his receiving day, but he was summoned to a Cabinet Council at the Elysée before my turn came to be received by his Excellency. I therefore called on M. Louis, the "Directeur Politique."

I told M. Louis that I had wished to thank M. Pichon for having sent M. Auboyneau to see me, and that, as I had not been able to see his Excellency, I should be obliged if M. Louis would thank him on my part. I then gave him for perusal my despatch to you of the 13th instant, and I said it was very regrettable that M. Berger had refused to act with his British colleague on the Council of the Debt, and that I could not help feeling that the French Ambassador at Constantinople had not thought fit to request M. Berger with sufficient insistence to concert with Mr. Block the attitude which they should both take up in regard to the surplus ceded revenues, for otherwise it was strange that M. Berger should have disregarded the request of his Ambassador. The result was unfortunate, for there would be at the disposal of the Turkish Government, and consequently for the purposes of the Bagdad Railway, revenues which Mr. Block had proposed should be earmarked for the £ T. 250,000 to be provided for Macedonia.

M. Louis did not repudiate the idea that M. Constans' recommendation to M. Berger had not been very strong. I had given him the reason for my opinion, viz., M. Constans' representation to M. Pichon that he had no authority to give orders to the French Delegate on the Debt Council, and that, though always ready to carry out instructions from M. Pichon, he ventured to point out certain objections to M. Berger acting with Mr. Block in the particular question at issue. M. Louis said that it was much to be regretted that M. Berger had not seen fit to come to an agreement with Mr. Block; that the Ambassador certainly could not give him orders, but it was unusual for a person in the position of M. Berger not to accept the recommendation of his Ambassador, and perhaps M. Berger's objections to doing so were more apparent to M. Constans than to us. He (M. Louis) said that the question of the ceded revenues, and the effect or possible effect of the vote of the Debt Council on the prospect of security being consequently forthcoming for continuing the Bagdad Railway, was to him so complicated that he must confess that he could not understand what would be its result. M. Constans and M. Auboyneau were convinced that for the next three years to come there would be no surplus from the ceded revenues available for the railway, and it must be hoped that this would be the case.

I then alluded to M. Auboyneau's reference, in conversation with me, to the negotiations between the Ottoman and Deutsche Banks. I said that I had not liked to ask that gentleman questions on the subject of his bank's business negotiations, and I did not understand exactly what they had been and why they had been broken off. Could he (M. Louis) enlighten me?

M. Louis then gave me the following account of what had taken place, so far as he was cognizant of the circumstances.

In 1902 M. Delcassé was willing that the French and German banks should come to an understanding in regard to the Bagdad Railway, but only on four conditions, viz., that there should be absolute equality between the French and German interests in the money to be provided, the administration (including voting power), the construction, and the exploitation of the railway. As the German parties were not prepared to agree to these conditions, M. Delcassé insisted on the negotiations being dropped. There were also, M. Louis said, further reasons for discontinuing the negotiations, viz., the objection of the Russian Government to the construction of the railway and the feeling in England against the undertaking being carried out by a Franco-German combination. Later on there had been negotiations between French, German, and English banks, but they had failed on account of the unwillingness of the German negotiators to concede to the French and English banks advantages in proportion to the money to be provided by them.

I then asked M. Louis whether he could tell me anything about the negotiations of some months ago, which M. Auboyneau said had come to nothing.

M. Louis replied that personally he did not know what those negotiations were. Possibly M. Henry might, but he doubted it. Whatever they might have been, both he and M. Henry felt confident from the assurances given by M. Auboyneau that negotiations would not be renewed by the Ottoman Bank without the acquiescence of the French Government. Of course it was possible for a bank to dispose of good securities without a quotation on the Bourse, which the French Government could prevent, but it was unlikely that a French bank would take such an extreme step as to bring out a loan in opposition to the expressed wishes of the Finance Minister.

[1637]

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I reminded M. Louis that when the present French Government came into office a warning had been given to the French financial group supposed to be negotiating with the German bank that the Government were opposed to negotiations for providing French money for the railway.

M. Louis observed that certainly there had been reports of negotiations, but that he did not think that there had been any serious steps taken. Probably there may have been pourparlers as to what might and could be done in certain circumstances. He did not believe that the French Government had been in any way concerned in the discussion, and he reminded me that during the whole period of M. Rouvier's Government the relations between France and Germany, owing to the Moroccan difficulty, had been in a state which was not such as to make it likely that the French Government would be inclined to aid Germany in doing what would not have been agreeable to England. The question of providing funds for the Bagdad Railway may have been mentioned to M. Rouvier by French financiers, and he may have listened to their arguments in favour of the French banks joining in the enterprise. This would have been quite sufficient to give rise to the report that the French Government had been concerned in the negotiations, if such there had been.

M. Louis concluded by stating that he himself had no information as to the negotiations of the Ottoman Bank, that he did not think that M. Pichon had, or M. Henry, who had been in personal communication with M. Auboyneau on behalf of M. Pichon, and he felt sure that no further negotiations would take place without the knowledge of the French Government, and consequently the knowledge of His Majesty's Government.

I have, &c.
(Signed) FRANCIS BERTIE.

[43149]

No. 79.

M. Cambon to Sir C. Hardinge.—(Received December 34.)

(Privé.)

Cher Sir Charles.

Albert Gate House, le 21 Décembre, 1906.

JE vous envoie un résumé des renseignements contenus dans la dépêche de M. Pichon dont je vous ai parlé aujourd'hui.

Votre sincèrement,
(Signé) PAUL CAMBON.

Inclosure in No. 79.

Summary of M. Pichon's Despatch.—(Communicated by M. Cambon, December 21, 1906.)

L'ETUDE de la combinaison adoptée le Lundi, 11 Décembre, par le Conseil de la Dette permet d'espérer qu'au point de vue des disponibilités financières que le Gouvernement Ottoman pourrait appliquer au Chemin de Fer de Bagdad, le résultat sera sensiblement le même que celui qui avait été envisagé précédemment. En effet, la Banque Ottomane conservera son droit de priorité sur les excédents des anciens revenus encaissés par l'Administration de la Dette.

Ces excédents ne seront pas affectés au service des 250,000 livres destinées au Budget de la Macédoine, puisque ces 250,000 livres seront, à partir de l'exercice 1907-1908, imputées sur les revenus des dîmes dont les rendements n'ont pas été engagés dans les mêmes conditions que ceux des recettes des anciens revenus. Il y a lieu, d'ailleurs, de tenir compte de ce que la créance de la Banque se trouvera augmentée des 250,000 livres qu'elle avancera pour l'exercice courant au Budget Macédonien. Par la combinaison de l'augmentation de cette créance de la Banque avec l'exercice de son droit de priorité sur les excédents des anciens revenus, ceux-ci ne se trouveront dégagés qu'au cours de l'exercice 1908-1909, ainsi que l'indique le Tableau ci-dessous :—

EXERCICE 1906-1907.

	Livres.	Livres.
Montant présumé des excédents des anciens revenus	..	400,000
Montant des engagements permanents à prélever annuellement sur ces excédents ..	150,000	
Montant des avances à rembourser à la Banque Ottomane, en vertu de son droit de priorité ..	440,000	
Total des sommes à prélever sur les excédents des anciens revenus ..	590,000	
Restant à rembourser au 15 Mars, 1907 ..	..	170,000

EXERCICE 1907-1908.

	Livres.	Livres.
Montant présumé des excédents des anciens revenus	..	400,000
Solde restant à rembourser de l'exercice 1906-1907 ..	170,000	
Montant des engagements permanents à prélever annuellement sur les excédents ..	150,000	
Montant à rembourser de l'avance faite en 1906-1907 par la Banque Ottomane pour le Budget Macédonien ..	250,000	
Total à rembourser en 1907-1908 ..	570,000	
Restant à rembourser au 15 Mars, 1908 (240,000 livres — 400,000 livres) ..	..	160,000

A supposer qu'aucune avance nouvelle ne vienne grever le chapitre de ces excédents, l'année financière 25 Mars, 1908, à 15 Mars, 1909, ne laisserait disponible qu'une somme de 93,000 livres environ,* et encore pourrait-on faire entrer en compte les intérêts dus à la Banque du chef de ses avances et dont il n'a pas été fait état dans les Tableaux ci-dessus. En outre, il est fort possible que la pénurie chronique dont souffre le Trésor Ottoman oblige la Porte à demander à la Banque avant 1909 de nouvelles avances qui pourraient sans doute être remboursables sur ces mêmes excédents des anciens revenus.

Dans ces conditions, il semble que le Délégué Anglais à la Dette Ottomane pourrait sans très grave inconvénient donner son adhésion à la combinaison adoptée par ses autres collègues de la Dette, puisque, pour plus de deux ans encore, le fonds provenant des excédents des anciens revenus se trouve entièrement affecté à des remboursements et ne laissera ressortir aucune disponibilité applicable au Chemin de Fer de Bagdad.

[43349]

No. 80.

Sir F. Bertie to Sir Edward Grey.—(Received December 27.)

(No. 538. Confidential.)

Sir,

Paris, December 23, 1906.

AT an interview which I had with the Minister for Foreign Affairs yesterday he referred to the visit which M. Auboyneau had paid to me at his request, and which I had the honour of reporting to you in my despatch No. 505, Confidential, of the 13th instant, and his Excellency stated that he had sent to M. Cambon, for communication to you, the message of reproof which he had sent through the French Ambassador at Constantinople to M. Berger touching his conduct in not consulting with his British colleague on the Council of the Ottoman Debt the attitude to be observed by both Delegates in regard to the proposals for providing security for the annual provision of £ T. 250,000 for Macedonia.

* 150,000 livres + 160,000 livres ..	..	..	..	..	310,000
à déduire de ..	..	..	..	..	100,000
Reste ..	..	..	..	..	210,000

[1637]

Y

M. Pichon further informed me that the German Ambassador at Constantinople had stated to a French financier that the Emperor William desired the co-operation of France in the further construction of the Bagdad Railway. If this should really be the case it meant, M. Pichon said, the co-operation of England also, for the French Government would not act in the matter except in concert with His Majesty's Government and the Russian Government. It appeared certain that the Germans could not for the next three years make any further important progress in construction without outside financial assistance. During such time, unless meanwhile the German Government approached the French Government with the view of coming to terms, the only thing to be done would be that His Majesty's Government and the French Government should keep each other fully informed of everything which reached them in regard to the question of the railway.

I have, &c.
(Signed) FRANCIS BERTIE.

[42261]

No. 81.

Sir Edward Grey to Sir F. Bertie.(No. 722. Secret.)
Sir,*Foreign Office, December 29, 1906.*

THE French Ambassador called at this Office on the 14th instant, and gave his own personal views on the measures adopted by the Council of the Ottoman Debt with regard to the hypothecation of certain of the surplus revenues to cover the deficits in the Macedonian Budgets.

M. Cambon gave the following account of the action of the British and French Delegates on the Council of the Debt on that occasion: Mr. Block's proposal for the hypothecation of the surplus tithe revenues and surplus ceded revenues for the payment, up to £ T. 250,000 annually, of the Macedonian deficits, was accepted by the Council at their meeting on the 3rd instant. It was, however, too apparent that the ultimate object contemplated by this proposal was the diversion to other purposes of funds destined by the German Government to furnish further kilometre guarantees for the Bagdad Railway. Baron Marschall von Biberstein was not slow to appreciate the true significance of the measure, and lost no time in bringing pressure to bear on the Sublime Porte with a view to rendering it abortive. The result of these representations was that the Minister of Finance withdrew the adhesion which he had previously given to the proposal in question. The British and French Delegates thereupon concerted a second proposal, which was submitted to and accepted by the Minister of Finance, and was to be put forward at the next meeting of the Council. At this meeting, however, Mr. Block, without previous consultation with his French colleague, reverted to his own original proposal. M. Berger, feeling that he was already committed by his communication with the Minister of Finance to the last proposal upon which he had agreed with Mr. Block, found himself unable to support his British colleague in this unexpected move, with the result that the second proposal was agreed to, and Mr. Block left in a minority of one. M. Cambon was of opinion that Mr. Block should have previously consulted with his French colleague as to this change of attitude, and characterized his omission to do so as "aussi incorrecte que maladroite."

Your Excellency will observe that this version of the action of the British and French Delegates is one which has not previously been brought to the notice of His Majesty's Government, as I was not aware that, as stated by M. Cambon, Mr. Block and M. Berger had originally been in agreement as to the solution which has now been given to this question by the Council of the Ottoman Debt.

His Excellency went on to state that a proposal had been put forward by the German Delegate on the Council for the conversion of the short-term loans into a long-term loan, to be guaranteed on the revenues from mines and forests. The proceeds of this loan had, M. Cambon assumed, been destined by the German Government to supply the necessary resources for the kilometre guarantees of the Bagdad Railway. The proposal was, however, negatived, and his Excellency expressed it as his own personal opinion that the old revenues were pledged to such an extent, and for so many different objects, that it did not appear to him to be possible to utilize any portion of them for the requisite guarantees.

His Excellency subsequently read aloud two telegrams, one from the French Ambassador at Constantinople to the Minister for Foreign Affairs, and the other M. Pichon's reply thereto. In the former, M. Constans expressed the opinion that the

Bagdad Railway would be built, whether the French and English Governments wished it or not. The French Government, acting under the advice of their Ambassador in London, were making a great mistake in supporting His Majesty's Government in their hostility to the German schemes, which were prejudicial chiefly to British interests. Such support must necessarily be regarded by Germany as showing an unfriendly disposition ("malveillance") on the part of France towards herself, and would inevitably provoke trouble between the two countries.

M. Pichon's reply to this telegram was couched in very energetic terms. In it he pointed out that French interests and French policy were deeply involved in any Bagdad Railway scheme, and that none would be satisfactory unless it combined the participation of France, England, and Russia. All other schemes must therefore be resisted to the utmost. M. Pichon added that, since the Anglo-French *entente*, England had on several occasions acted "in a most friendly manner" towards France, and that it was the duty and policy of the French Government to meet the views of His Majesty's Government as far as possible. On the other hand, the German Government had recently done everything in their power to be disagreeable to France, and their actions and communications were the reverse of friendly.

I am, &c.
(Signed) E. GREY.